

# Call for proposal of a Micro Climate Protection Project

## Initial Position

The growing imbalance between the poor countries in the global south that are mainly affected by the effects of climate change like rising sea level, increasingly severe rainfall and droughts, and the energy intensive north, which is the main causer of climate change, have to result in more sense of responsibility for climate change, especially in industrialized countries.

In this connection it is not important if a growing sense of responsibility results in climate protection at local level or at global level, since climate change is a global phenomenon which can be countered from every place in the world.

The Northelbian Centre for World Mission and Church World Service (NMZ) is aware of its responsibility and wants to contribute to the mitigation of climate change and at the same time promote sustainable development. **Therefore the NMZ wants to buy CO<sub>2</sub> emission reductions from a micro climate protection project.**

## The NMZ

The NMZ is an institution of the Northelbian Protestant Lutheran Church (NEK). As an internationally working institution the NMZ is responsible for the exchange with partner churches and ecumenical facilities in Africa, Asia, Pacific, Latin America and in the Middle East.

The NMZ supports mutual exchange and projects, which benefit the independence of its partner churches. In addition the NMZ reports about countries and projects, funds, exchange programs and is contact for mission, dialogue, ecumenism and development.

## The aim

The NMZ wants to set-off the development of a micro climate protection project in cooperation with a partner from the south and buy the generated CO<sub>2</sub> emission reductions of this project.

The overall aim is to buy CO<sub>2</sub> emission reductions from projects , which will be developed in alignment to the "Gold Standard" for the "Clean Development Mechanism (CDM)" or if possible fulfill this standard.

The funds for purchasing these CO<sub>2</sub> emission reductions will come from the FlugFairCare-Fund of the NMZ

## FlugFairCare

This fund is furnished for people, who want to compensate the damage their oversea flights cause to the climate. They pay voluntary a fixed amount of money into the fund. Ideally the payment equals the amount of CO<sub>2</sub> emissions caused by the companie's flights times the price for CO<sub>2</sub> emission reductions.

## **Clean Development Mechanism (CDM)**

The Clean Development Mechanism is one of the three so-called flexible mechanisms of the Kyoto Protocol. These mechanisms are designed to make it easier and cheaper for industrialized countries to meet the greenhouse gas (GHG) emission reduction targets that they agreed to under the Protocol. The CDM is also mandated to "assist developing countries in achieving sustainable development". What constitutes sustainable development is decided by the host party.

Under the CDM, an industrialized country with a GHG reduction target (an Annex B country) can invest in a project in a developing country without a target (non-Annex B), and claim credit for the emission reductions that the project achieves. For example, an industrialized country may invest in a wind power project in a non-Annex B country that replaces electricity that would otherwise have been produced from coal. The industrialized country can then claim credit for the emissions that have been avoided, and use these credits to meet its own target. The certificates generated by the CDM project activity are called Certified Emission Reductions (CERs).

At the conference of the parties (COP) 7 to the United Nations Framework Convention on Climate Change (UNFCCC) in 2001 the operational aspects of the CDM were clarified. An Executive Board (EB) oversees the mechanism, baseline and monitoring methodologies will have to be registered with the EB and a template for CDM project Design Documents (PDD) has been agreed upon.

A project that qualifies for the CDM Standard has to fulfill a number of criteria among other things the project has to be officially approved by an accredited institution of the UNFCCC. Another important criteria is the additionality of the proposed project, this means it should only be undertaken due to the fact that it is a climate protection project. Although the UNFCCC defined simplified modalities and procedures for Small Scale Projects the development and approval of a CDM project is very costly and time consuming.

For information on the Clean Development Mechanism please visit the following website <http://cdm.unfccc.int/>.

## **The Gold Standard**

The CDM Gold Standard, which was developed by a panel of stakeholders and experts at the initiative of the World Wide Fund for nature (WWF), is a high quality standard for CDM projects. The CDM Gold Standard aims to enhance the ecological and socio-economic integrity of the CDM by defining quality criteria that exceed those established within the Kyoto Protocol and thus creating a "premium product" on the market for emission certificates. It is based on the expectation that buyers will be willing to pay more for certificates generated by high quality projects. The Gold Standard's criteria include especially a more detailed examination of the projects additionality an assessment of the projects other ecological and social impacts and minimum standards for stakeholder participation.

For those who want to know more about the criteria set for this standard, they can inform themselves in more detail on the website of the CDM Gold Standard [www.cdmgoldstandard.org/index.php](http://www.cdmgoldstandard.org/index.php). Here you can download an example of a PDD and "Project Developer Manual".

## **Micro Climate Protection Project**

The Micro Climate Protection project should be a project for voluntary compensation of greenhouse gases. Compensation means to take an optional amount of greenhouse gas emissions a customer (customer of the FlugFairCare-Fund) has caused and avoid or reduce the same amount of emissions at a different place.

Since the compensation is on voluntary basis and not on a compulsory basis, the project does not have to generate CERs from official CDM projects. Instead the project will generate so called "Verified Emission Reductions" (VERs).

However, the development of a project according to the Gold Standard implies the advantage that achieved climate benefits are officially approved and the project contributes to sustainable development effectively.

That is why the NMZ wants to buy CO<sub>2</sub> emission reductions from a project that is developed in alignment to the CDM Gold Standard but not necessarily approved as such a project. The aim is to develop own criteria (in alignment to the Gold Standard), which are as high as the Gold Standard, but to forgo official approval from an accredited institution of the UNFCCC.

Hence the micro climate protection project does not have to fulfill all bureaucratic regulations which are linked with high transaction costs. However the NMZ aims at an official approval of the PDD by an independent institution.

**For the development of such a pilot project we are looking for a competent project partner, who will propose a suitable project and develop a "Project Design Document (PDD)" in cooperation with the NMZ.**

An eligible partner should already have experience in the development and implementation of renewable energy projects and have an understanding of the CDM and Gold Standard.

## **Project Criteria**

A suitable project for the FlugFairCare-Fund has to fulfill the following criteria:

- Only renewable energy projects like e.g. biogas, micro hydro power or solar water heater projects are eligible as these technologies have a great potential to contribute to sustainable development, especially in rural areas.  
In addition monitoring and baseline methodologies are already available in the "Simplified modalities and procedures for Small-Scale CDM project activity categories" on the website of the UNFCCC <http://cdm.unfccc.int/Projects/pac/ssclistmeth.pdf>
- Funding of the project will be made by forward trading of the generated emission reductions based on an "Emission Reduction Purchase Agreement (ERPA)":
  - The price of 1 t CO<sub>2</sub> emission reductions has to be agreed on in advance, depending on the type and costs of the proposed project.  
However the NMZ commits itself to buy 1 t of CO<sub>2</sub> emission reductions for a premium price above the current market price for Gold Standard project emission reductions.
  - The NMZ is prepared to support the project proponent with start-up financing of the project
- The project should generate a minimum of 200 t of CO<sub>2</sub> reductions per year
- Opinions and thoughts of stakeholders have to be taken under consideration during the project development phase

- The amount of CO<sub>2</sub> emissions saved has to be monitored transparently and continuously by an independent institution, to assure the proposed project generates the set amount of CO<sub>2</sub> emission reductions
- The project has to contribute to several aspects of sustainable development (e.g. generation of employment, know-how transfer, education, gender equality etc.)
- The project has to fulfill integrity of creation, meaning the project should not have any negative impacts on the environment
- The project has to be additional, meaning the project should only be undertaken due to the fact that it is a climate protection project

### **Project Idea Note**

In a first step the NMZ would like to ask you/your organization for any ideas concerning new projects that could fulfill the above requirements. If you have ideas for the development of a micro climate protection project in your region or parish or you have contact to other organizations/institution who could be interested, please contact Ms. Judith Meyer-Kahrs ([j.meyer-kahrs@nmz-mission.de](mailto:j.meyer-kahrs@nmz-mission.de)).

Please send your idea of a project in form of a Project Idea Note (PIN). The template of a PIN is attached to this document. The PIN will give us information about your organisation and its field of experience as well as your project idea and how it will/can fulfill the set criteria.

We will decide which project we want to develop in cooperation with a project partner based on the filled Project Idea Note.

If you have any further questions do not hesitate to contact Judith Meyer-Kahrs ([j.meyer-kahrs@nmz-mission.de](mailto:j.meyer-kahrs@nmz-mission.de)).