

## A Report on the Bagepalli CDM Meeting and subsequent discussions with Gert de Gans, Icco/KerkinActie from 12 to 22 September 2007

Based on shared experiences over 11 days, the output of the Bagepalli CDM Meeting held on 14 and 15 September 2007, and impressions gained through field visits to Tumkur (REDS), Penukonda (SEDS), Chennakothapalli (Timbuktu Collective) and Bagepalli (ADATS), an agenda was drawn up to hold a day long rounding up discussion on 22 September 2007.

This Report can be viewed as an inventory of NGO capacity vis-à-vis CDM, and even as an early attempt to draft the Bagepalli Declaration that could be circulated and adopted by a wider audience.

### AGENDA

The meeting started with a brainstorming on the scope of the Fair Carbon initiative and identified the following:

1. Link grassroots NGOs in the South with voluntary efforts of concerned citizens in Annex I countries/societies.
2. Lead topic-wise debates and discussions on issues related to Climate Justice.
3. Assist in developing pro-poor CDM Projects.
4. Capacitate grassroots NGOs
5. Meet Transaction Costs of CDM development
6. Deal with Professionals
7. Play an “honest broker” role.
8. Forward financing and upfront funding of pro-poor CDM Projects through the purchase of VERs and CERs.
9. Place young people in learning and contributing experiences
10. Networking and Lobbying with the UNFCCC, EB and Methodology Panels, and Host Country DNA; Network scan
11. Website development [www.fairclimate.com](http://www.fairclimate.com)

Some of these topics were selected for in-depth, day long discussions.

### 0. BACKGROUND/INTRODUCTION

#### 0.1. ICCO/KERKINACTIE

Icco/KerkinActie has a decade long experience in discussing climate change and climate justice issues with a potential constituency of more than 2 million people in the Netherlands. Of these, 15,000 are active supporters who collaborate with Icco/KerkinActie in various schemes which went under the title Climate Plan...

(Gert to please fill in with a concise description of Climate Plan & Climate Plan – numbers, funding amounts, growth potential, etc.)

Through Climate Plan, Icco/KerkinActie is an integral part of efforts by the World Council of Churches and various other networks in Europe...

(Gert to describe the network in the North...)

## 0.2. ADATS

ADATS, assisted by dozens of environmentalists, feminists, scientists and climate change activists from the world over, has a 12 year long experience in attempting to operationalise CDM (Clean Development Mechanism) opportunities opened up by the signing of the Kyoto Protocol and formation of the UNFCCC.

ADATS is one of the few grassroots NGOs that has successfully tapped carbon resources to implement pro-poor CDM Projects:

- The Bagepalli Biogas CDM has completed the physical implementation phase and is now into the 21 year long crediting period where the CERs generated need to be continually monitored and verified.
- The North Kolar Biogas CDM, and the Bagepalli CDM Reforestation Programme are currently under validation, and expected to take off in early 2008.

For the past 2-3 years, an informal network of grassroots NGOs has organically evolved around ADATS to share these experiences and enable more NGOs to tap carbon resources through sharing and facilitation. Please see <http://www.adats.com/cdm/> for more information.

## 0.3. THE FAIR CLIMATE NETWORK

A propitious opportunity has offered itself to link the efforts of Icco/KerkinActie with the *ad hoc* and hopscotch efforts of ADATS to create a North-South network. To further explore this opportunity, the Bagepalli CDM Meeting was held on 14 and 15 September 2007 at the ADATS Campus, Bagepalli.

This joint initiative has been christened “Fair Climate” and the following document can be read as a first attempt to draft the “Bagepalli Declaration – a Charter for the Fair Climate network”.

## 04. EXPANDED STAKEHOLDERSHIP

Both, Icco/KerkinActie and ADATS, have gained a rich and valuable human infrastructure of knowledgeable and committed friends and well wishers from all over the world.

These are persons who would like to address severe disparities in consumption levels in the North and South, and see ethics and justice introduced into the climate change debate. At the same time, they would like to make CDM work for the rural poor as a mechanism that transfers development resources from the North to the South.

Each and every one of them should be invited to join the Fair Climate network as fully accredited members, with all of us internalising the principle that “*We can no longer do it on our own!*”

## 1. LINKING WITH GRASSROOTS NGOS IN THE SOUTH

Grassroots NGOs in the South need to be linked with voluntary efforts of concerned citizens in Annex I countries/societies. Information on climate justice struggles in the North need to be disseminated to the grassroots in the South. The non-polluting poor need be aware that a powerful solidarity is building up in their favour.

Concerned citizens in the North need to personally, ideologically and emotionally relate to the everyday lives of those who are negatively affected by climate change in the South.

This will result in meaningful actions that reduce GHG emissions, mitigate the negative effects of climate change, and influence the global decision making process. Such linking has to be done in a systematic, professional, live and continuing manner through a genuine sharing and understanding of each other.

Just as the gender debates in the '90s resulted in a mainstreaming of gender in the entire development sector, so too is it vital to now mainstream climate justice.

## 2. LEADING TOPIC-WISE DEBATES AND DISCUSSIONS ON CLIMATE JUSTICE ISSUES. (Gert...)

## 3. ASSISTING IN DEVELOPING PRO-POOR CDM PROJECTS.

The Fair Climate network recognises that any genuine advancement of the climate justice agenda is possible only when climate change issues are operationalised and the rural poor in the South are rewarded for not polluting. Even if such non polluting lifestyles are forced upon them due to lack of resources and a lack of choice, their material poverty does not take away from the fact that the poor do not pollute the environment.

### ADATS ACCEPTANCE SPEECH AT THE CLEAN ENERGY AWARD PRESENTATION AT BASEL, GERMANY

“To have a more humane and equitable world we need sustainable systems, resource conservation, and equal rights. Sadly today, instead of sustainable systems, women are hooked into using unsustainable and unhealthy forms of cooking energy by decision-makers locked into the global fossil-fuel based economy. Instead of governments imposing simple and effective cooking solutions such as high-tech counter-top biogas for all, they perpetuate the illusion that we will all have LPG or Kerosene at some time, for ever and another day.

“In this situation, the 3 billion women who use non-renewable biomass for cooking in the developing world are simply left out of the climate change mitigation regime.

“Our struggle for the non-renewable biomass baseline for Small Scale CDM Projects under the Kyoto Protocol of the UNFCCC may seem a round-about way of getting funding for clean cooking energy for all. But in the absence of a climate change regime based on equal per capita emission rights, labeling poor women as polluters seems the only way they would be recognized as stakeholders in the global climate change regime, and as part of any solution to the climate change problem.

“The ideal is that we ought to directly recognize poor rural women and pay them to be the lungs of the planet through their existing agricultural activities and frugal lifestyles.

“By quantifying the air pollution from cooking on traditional cookstoves using non-renewable biomass, using the non-renewable biomass methodology, poor women can sell Certified Emission Reductions and earn as much as they do from 1 acre of dry land groundnut cultivation in a year. For the entire 21 year long crediting period! This, the real possibility that we have irrefutably demonstrated in the Bagepalli CDM Biogas Project. The paradox is that we have had to do so by labeling poor women as polluters in order to earn credits. This, in spite of a majority of poor women planting trees. Unfortunately Forestry CDM is another sector which has failed them miserably thus far.

“Our campaign is an attempt to highlight the glaring logical fallacy at the heart of the climate change mitigation regime which does not reward the only people on this planet who make a net contribution to climate change mitigation through their current livelihood practices. Even if such practices are forced upon them due to lack of resources, no access to modernization technology, or poverty, poor rural women in developing countries need to be rewarded for not polluting the earth.

“We will know the outcome of our campaign at the Conference of the Parties in Bali in December this year. After that the real work of switching from non-renewable biomass or fossil fuels to biogas plants and renewable biomass forestry across the world will begin, with a financing mechanism to cover all the costs plus pay each woman an annual income from the sale of CERs.

“This is what we had begun to achieve in the Bagepalli CDM Biogas Project, before the methodology got cancelled and we had to start our campaign all over again.”

#### 4. CAPACITATING GRASSROOTS NGOS TO UNDERTAKE CDM PROJECTS

The following paragraphs are not meant to frighten grassroots NGOs and convey an impression that CDM Projects are not doable. But minimum requirements and non-negotiable prerequisites cannot be glossed over with a salesperson type of enticement. Mature and thoroughly thought through decisions need to be taken before opting to deploy carbon resources for development. While the task is certainly not easy, neither is it impossible.

In our dictionary, the clinching argument is that huge resources are available. These can be transferred from the North to the South. They can be channelled to meet very real livelihood problems that the poor face. Grassroots NGOs and people’s organisations are the best vehicle to operationalise such a transfer.

The original spirit behind those who fought for Kyoto was to bring to light sharp disparities in consumption levels and carbon footprints. CDM was conceived as the instrument to transfer resources and try to bring about a balance in these disparities. These laudable intentions got waylaid somewhere along the line.

Some well meaning persons who are not rooted in poor communities mistakenly believe that it is merely a matter of putting together an attractive financial package, implementation plan and monitoring tools. They suggest the development of PDD templates, CDM modules, and finance plans; and the allocation of particular modules to particular finance plans will do the trick.

We dare say such a programmatic approach will not work beyond the physical implementation phase. It is bound to have draconian repercussions during the monitoring and CER verification phase. Business models of the commercial world that narrowly define a bottom line are thoroughly unsuited for CDM. Business follows the “*Rule of Ten; that only 1 of 10 persons will dare to enterprise, and that only 1 of 10 enterprises will be afloat 10 years down the line*”. Such nonchalance is anathema for the NGO world and a sacrilege to serious efforts aimed to mitigate the deadly consequences of climate change.

CDM has a much better “natural fit” in the ethical values and practices that grassroots NGOs and the communities they work with have the ability to sensibly evolve. In spite of an early reluctance of the NGO world to enter into CDM, we are the preferred actors.

#### 4.1. A SCAN OF NGO STRENGTHS AND WEAKNESSES

The commendable strength of grassroots NGOs is that they are, by and large, honest and efficient in the optimal use of scarce development moneys, and in the creation of fairly high quality physical assets for the poor.

The weakness of many is that most NGOs stop there, with the presumption that quality Outputs will somehow lead to Outcomes and Results, in a more or less automatic manner. Unfortunately, this is not so. Impressive achievements do not magically transform themselves into lasting accomplishments.

While it is true that secondary stakeholders (project delivery personnel) can only achieve Outputs, and it is the primary stakeholders (the poor themselves) who need to take these forward to accomplish Outcomes, the accompanying NGO does have a role to play, beyond that of an honest contractor.

They need to capacitate communities and encourage them to make a holistic and critical appreciation of their socioeconomic, political and cultural environment. The NGO should facilitate the introduction of good PME systems that discern the logical Outcomes of physical achievements. Empowered communities need to chase Results.

#### 4.2. RESULTS ORIENTED MANAGEMENT CULTURE

For grassroots NGOs to play this expanded role with the communities they work with, they themselves need a shift in orientation to a results oriented management culture. But this should be done in an extremely cautious and balanced manner. If the NGO merely succumbs to mainstream business practices, forgoing its core values and principles, it automatically ceases to be an NGO in all but nomenclature. Mature organisational choices need to be made to not throw the baby out with the bathwater.

CDM Projects are situated in the harsh and unsparing milieu of the carbon market. Carbon resources are commercial moneys with no empathy for chalking failure to learning. The choice to undertake CDM Projects has serious organisational implications and should be well thought through.

ADATS and the Coolie Sangha, with their proven staying power, have conclusively demonstrated that such a shift is infinitely possible. The functional unity of sociopolitically empowered communities can be used to mobilise carbon resources and effectively implement CDM Projects that benefit the poorest of the poor.

Models adopted by the powerful combine of grassroots NGOs and people's organisations can be the epitome of sound business practices that the overtly commercialised CDM world can well do with!

#### 4.3. BUILDING EXTRA CAPACITY

Grassroots NGOs who want to implement CDM Projects need to be far sighted. Their ambition for the communities they work with has to have a long reach, almost to the point of inviting ridicule. They need to build extra capacity, over and above what they conceive as presently necessary.

This has a very wide ramification since capacitation does not start with the material and monetary. A sound rule of thumb to assess the scope of an NGO is to make an inventory of how many other facets of the poor people's day to day living the NGO actively engages itself in, *beyond of the call of currently being implemented project activities*. This will give a fairly good impression of how far they can realistically reach. Only then can investment decisions be taken on new staff, infrastructure, digitised database, etc.

All this is not easy since the development of idle capacity requires the investment of venture capital. Besides large sums of moneys, venture capital takes very many other uncomfortable forms – time, effort, frustration, and very many failures that, with the clear 20x20 vision of hindsight, could so easily have been avoided!

#### 4.4. STAYING POWER

Capacity translates into staying power. CDM Projects have long life cycles. The usual crediting period of energy projects are 7x3 years and forestry projects are 20x3 years. At the start of this section we said that most grassroots NGOs are Output oriented. That is not enough. Results are to be found in Outcomes.

In the CDM scheme of things, the 1-3 year long actual implementation phase of the CDM Project when units are built or saplings planted is just the preliminary phase of “building the factory plant and machinery”. It is in the running of these “CER factories” and generation of CERs or VERs for 21 or 60 years that value is created.

CDM Participants have a binding and statutory obligation to ensure the running of CDM Projects for the entire crediting period. This is something that needs to be fully understood, with all its draconian financial implications, by grassroots NGOs who wish to tap carbon resources for development.

#### 4.5. DATABASE & MONITORING SYSTEMS

##### 4.5.1. Database

CDM Project development needs extensive data right from the word “Go”. Every single village needs to be identified by name and location, every single plot of land by tenure and GPS reading, and every single family by demographic information and an irrefutable identification.

##### 4.5.2. Baseline

Baseline energy usage patterns have to be studied through once-off surveys and studies to develop the Concept Note (PIN) and PDD (Project Design Document) before obtaining Host Country (DNA) approval and Validation.

##### 4.5.2. Implementation

Open and transparent digitized monitoring systems have to be in place, preferably on the internet, for the online monitoring of project implementation and related financial transactions – i.e. the initial construction phase

##### 4.5.3. Monitoring/Verification

Scientifically accepted monitoring data has to be fed in and digitally analysed to continually measure CERs during the entire crediting period. This authenticity of this monitoring data has to be approved by the UNFCCC accredited quality assurance company that verifies the generated CERs through dry runs called Validation Plus.

#### 4.6. TRAINING

The Fair Climate network needs to develop curriculum for short 1-2 week long course(s) designed for the secondary stakeholders of grassroots NGOs wishing to take up CDM Projects. Such course(s) should cover:

1. Conceptual clarity on climate justice and CDM
2. Operational implications for grassroots NGOs

3. Vital prerequisites like baseline data and a strategic plan
4. Technical skills, systems, and implementation technology needed for (short term) CDM implementation
5. Monitoring/Verification systems of (very long term) VER/CER generation throughout the entire crediting period of the CDM Project
6. Transparent finance management systems that are open for constant and instantaneous global scrutiny

#### 4.7. HANDHOLDING

In addition to training and capacity building through the imparting of knowledge and skills, handholding is required to enable grassroots NGOs develop CDM Projects. The Fair Climate network should develop and deploy mechanisms for assured peer support from fellow NGOs and network members.

### 5. MEETING TRANSACTION COSTS OF CDM DEVELOPMENT

#### 5.1. PROHIBITIVE COSTS

Pro-poor CDM Projects have transaction costs that grassroots NGOs may not be able to fully meet. These include:

1. Writing the Concept Note (PIN) and obtaining Host Country (DNA) approval
2. Fees for PDD writing and shepherding through validation
3. Validation Fees
4. Except in the case of “difficult to finance” Afforestation/Reforestation CDM Projects that may require kick-off assistance, UNFCCC registration costs of energy CER and VER projects are usually met by the carbon financier who signs an ERPA (Emission Reduction Purchase Agreement) with the project proponent.

Extensive studies have been conducted on this subject and research papers written. Current literature needs to be *googled* and studied in depth by network members.

After making a thorough assessment of the situation, the Fair Climate network will assist in meeting these transaction costs by setting up a Rolling Fund to advance interest-free soft loans.

#### 5.2. ROLLING FUND

Decisions on the utilisation of this Rolling Fund will be jointly taken, in an open and transparent manner, by the Fair Climate network. But the Fund itself should be directly administered by Icco/KerkinActie through bilateral agreements with individual NGOs.

The loss bearing capacity of such a Rolling Fund has to be realistically assessed by the finance staff of Icco/KerkinActie since only about 25% of CDM initiatives may come to fruition, within anticipated time frames, in the beginning. This efficiency rate (and thereby RoI) will climb to about 80% in the coming years.

#### 5.3. SELF FINANCE MECHANISM

In the long run, the Fair Climate network ought to be self-financed. To this end, network members can contribute a percentage of their CER revenues.

#### ADATS CONTRIBUTION TO FAIR CLIMATE NETWORK

ADATS pledges 1% of annual CER revenues from the CDM Projects it implements and monitors to the Fair Climate network. This will work out to € 40,000 every year. We will discuss this pledge in all 500 village Coolie Sangha Units and are confident of an enthusiastic acceptance by early next year.

Since CER revenue for the first crediting period of 7 years from the Bagepalli Biogas CDM Project is already sold in advance to a carbon investor, it is up to them as to whether they would like to join the Fair Climate network and annually contribute 1% of their revenues for the next 5½ years.

After that, for the next 14 year crediting period, it is purely a decision of the 5,500 Coolie women who own the biogas units and generate an average of 3.6 CERs per annum.

However, in ERPA negotiations for the remaining 2 CDM Projects we are about to implement, ADATS will include this element in the formal and legally binding document.

## 6. DEALING WITH PROFESSIONALS

### 6.1. EXTERNAL STAKEHOLDERS

External Stakeholders needed for CDM development and capacitating grassroots NGOs are:

1. CDM consultants
2. PDD writers
3. Consultancy services offered by carbon trading companies
4. Management consultants
5. Technical experts, skill trainers and institutes
6. Scientists and scientific bodies
7. Content writers and documentation centres
8. Press and Media

### 6.2. FRONTIER DEVELOPMENTS IN A CUTTING EDGE TECHNOLOGY

These have been early days in the actualisation of CDM opportunities for the poor. Matters have, thus far, followed a frontier logic of the wild west. The mix between secondary stakeholders and external stakeholders (the Us and the Them) has been hazy, with roles remaining vague and undefined.

While on the one hand, CDM Projects are formal entities owned by Project Participants (grassroots NGOs and/or people's organisations), their conceptualisation and bringing to fruition has been the combined task of all the innovative proponents and their marvellous contribution – NGOs, consultants, scientists, experts, *et al.* This has led to quite a bit of confusion as to who the real “owners” of the CDM Project are and, most importantly, who has final responsibility for the allocation of mobilised resources.

Carbon moneys are commercial in nature. The sole fiscal responsibility being that the total investment (plus some!) has to be recovered through the sale of CERs generated. Since these are early days for the sector as a whole, there are no benchmarks to guide their deployment. Everything operates in a moral vacuum with absolutely no

guidelines on how much should be spent on realising project targets and how much on overheads. Management costs begin to include fringe benefits...

Consultants and professions who considered themselves as “owners” during the conceptualisation and setting up phase of these cutting edge arrangements feel they are entitled to a larger slice of the cake. Fairly classic scenes when frontier logic paves the way for *laissez faire*.

In the above described scenario, consultants have often played an accompaniment role. Handholding has been as important as the imparting of domain knowledge and skills. They have done more than merely perform jobs they were contracted for. They too have been a part of passionate struggles that set up early CDM Projects.

Under such circumstances it would not be fair to over simplify and label anyone with more than the quasi affectionate and indulgent term “robber barons”. An expanded ownership with everyone pitching in their might was necessary in this stage of CDM development.

### 6.3. FORMALISING ROLES

But now, with the creation of the Fair Climate network, the time has come to signal a stop to this free-for-all. We need a new Sheriff in town.

Discussions need to be carried out within the Fair Climate network to define the exact importance and influence of each Actor. Once their role and value is properly assessed, we also need to agree on Rates and Contracts. *Pro bono* contribution may have too big a price attached.

### 6.4. DIRECTORY OF EXTERNAL STAKEHOLDERS

A directory of available persons/institutions under each category needs to be built up.

### 6.5. RATES & CONTRACTS

The Fair Climate network should then attempt to develop standards and guidelines on engaging External Stakeholders for the development of CDM Projects. This will include Rates & Contracts.

However, such a model can be developed only through the pain and gain of praxis. Matters cannot be put on hold till the Fair Climate network comes up with such guidelines. CDM opportunities have to be grasped at a break neck speed. The live experience of several grassroots NGOs and quite a few CDM Projects have to be analysed in order to finally arrive at such standards and guidelines.

## 7. PLAYING THE “HONEST BROKER” ROLE

### 7.1. TYPES OF CARBON BUYERS

A segmented look at Carbon Financers in the North reveals 4 different types of buyers:

1. Direct Compliance Buyers – i.e. polluting industries and utilities in the North who need to buy CERs and comply with quota regulations imposed by their national governments, in according to Kyoto.
2. Carbon Brokers – i.e. venture capitalists who see a huge demand for CERs in the compliance market and wish to trade through speculation.

3. Government Tenders – i.e. national governments in the North are buying CERs over and above their quota requirement, as a buffer against any post Kyoto surge in demand.
4. Honest Brokers

## 7.2. TYPES OF EMISSION REDUCTIONS (CERs AND VERs)

The product is also varied:

1. Energy ERs
  - a. CERs – i.e. Emission Reductions generated by CDM and JI Project activities registered with the UNFCCC; the ETS (European Trading System) is the biggest “stock market” for CERs.
  - b. VERs
    - i. Voluntary Emission Reductions (European Markets)
      1. Those bought by individuals for the “feel good factor” and never reused/traded – i.e. these VERs are often referred to as “retired” or “expired”
      2. Those bought by conscientious traders and direct consumers who want to do business only with “clean” emission reductions – i.e. they are particular about the origin of the VERs and have problems with the CDM which allows polluters to “get off the hook cheaply”.
    - ii. Verified Emission Reductions (US Markets)
2. Forestry CERs or A/R CERs
  - a. tCERs
  - b. ICERs

## 7.3. SPECIAL CHARACTER OF FORESTRY CERs

Forestry CERs are generally more difficult because of inherent risks (forest fire, change in land use pattern, etc.) and the long gestation period (monitoring/verification is done only once every 5 years). These CERs fall under 2 categories.

- Temporary CERs or tCERs are generated just before trees are harvested for non-combustion end use (e.g. timber). These need to be replaced with Energy CERs after a specified period.
- Long CERs or ICERs are generated through the carbon sequestration capacity of longstanding trees.

There are 7 large-scale and 1 small-scale methodologies for the *generation* of forestry CERs through CDM Project activities.

But the ETS (European Trading System) has not yet issued clear guidelines, called Linking Directives, on how to value tCERs and ICERs in the compliance market. A polluting industry or utility that wants to meet its statutory quota requirement does not yet know how many tCERs or ICERs are equal to 1 energy CER.

As a result, forestry CERs are not yet traded in the carbon market. All buying is speculative, betting on the uncertain future. If, for example, carbon speculators make an educated guess that 3 tCERs = 1 CER, then the price for a temporary CER will be one-third the prevailing CER rate.

Long CERs are the natural choice of grassroots NGOs who will never opt for fast growing tree species (e.g. *Eucalyptus*) that rapidly deplete soil nutrients, rape the land and leave it severely degraded, only in order to make a quick buck.

Long overdue Linking Directives are expected to be announced in 2008, but this too is an educated guess.

#### 7.4. THE US MARKET

The US has not signed Kyoto and does not recognise the UNFCCC and “CERs”. Yet, legislations have been passed in several individual States and there is an active demand for Verified Emission Reductions (not to be confused with the European non-compliance market VERs).

However, it is not clear whether these State legislations have a penal clause built into them or whether compliance is purely voluntary, goaded by public pressure from consumers.

The Fair Climate network will do well to actively invite the participation of sincere, knowledgeable and extremely committed climate change colleagues from the US who can contribute as fully accredited members.

#### 7.5. THE “HONEST BROKER” ROLE

There is an inarguable need for the Fair Climate network to play the role of “honest broker” between CDM Project proponents in the South and carbon financiers in the North, especially when the carbon market is so complex and murky. However, there is a practical limitation.

Grassroots NGOs implementing pro-poor CDM Projects need upfront financing in order to undertake the physical implementation of project activities. Such forward financing demands that the monetary value of CERs and VERs be fixed in advance, well before the commencement of the CDM Project.

If all the CERs or VERs generated in a crediting period (e.g. 7 years for an energy project or 20 years for a forestry project) are thus pledged to the carbon investor who advances the full cost of implementation, the Fair Climate network has very little opportunity to play an “honest broker” role except, perhaps, at the time of negotiating the ERPA.

This is a hard financial reality that cannot be glossed over with any amount of indignant protest.

As of now, the Fair Climate network does not have the humungous volumes of money required to itself sign “honest broker” ERPAs and advance the total implementation cost of CDM Projects, with a pledge to remit the difference when these CERs or VERs are sold at a higher value.

## 8. UP-FRONT PURCHASE OF CERs AND VERs

### 8.1. THE DILEMMA BETWEEN CANNOT BUT HAVE TO

The Fair Climate network will not be in a position to forward purchase CERs and VERs and provide full upfront funding for pro-poor CDM Projects.

However, the Fair Climate network needs to have a limited financial stake in such CDM Projects in order to avoid the chicken-and-egg problem and completely miss the boat. Therefore a serious strategy for immediate resource mobilisation needs to be worked out fairly quickly.

Let us take the example of 3 grassroots NGO owned CDM Projects currently under validation:

- The REDS photovoltaic CDM has an estimated net anthropogenic GHG removal by sinks of 330,000 tonnes CO<sub>2e</sub> over a 10 year crediting period
- The North Kolar Biogas CDM has 201,600 tonnes CO<sub>2e</sub> over 7 years
- The Bagepalli CDM Reforestation Programme has 3,117,051 tonnes CO<sub>2e</sub> over 20 years

If, for example, Icco/KerkinActie were to acquire a 10% stake in these 531,600 energy CERs at an average price of € 10, it would mean an investment of € 5.3 million.

Similarly, another 10% stake in the 3,117,051 forestry CERs at an average price of € 6.6 would mean an additional investment of € 2 million.

This would give the Fair Climate network a terrific leverage in the pro-poor CDM market.

## 8.2. CERTIFICATION ON CREDIBILITY & IMPLEMENTATION CAPACITY

Forward purchase by the Fair Climate network, with its World Council of Churches and Icco/KerkinActie connections will, *ipso facto*, provide a vital “certification” on the credibility and implementation capacity of grassroots NGOs. Such certification is crucial for commercial carbon financiers to develop investment confidence in pro-poor CDM Projects and their proponents.

In this crucial role, the Fair Climate network needs to cleverly strategise a shuffle between myth and reality, real and perceived strengths, till such certification becomes genuinely valuable.

## 9. PLACING YOUNG PEOPLE IN LEARNING AND CONTRIBUTING EXPERIENCES

### 9.1. SHORT TERM EXPOSURE VISITS

to fill in...

### 9.2. LONGER TERM PLACEMENTS

to fill in...

## 10. NETWORKING AND LOBBYING

### 10.1. UNFCCC

Disseminate information on current efforts of bodies like the World Council of Churches to the grassroots – i.e. to secondary as well as primary stakeholders in the South.

Gert to fill in...

### 10.2. EB AND METHODOLOGY PANELS

The Fair Climate network needs to develop a list of friends and sympathisers within these CDM bodies. Simultaneously, we need to identify scientists who are trying to develop new methodologies (e.g. low cost, emission free construction material) that can be used to develop pro-poor PDDs.

Our relating to the EB and Methodology Panels/Sub Panels should be on the basis of concrete PDDs that we attempt to defend. This is our core strength and we should not divert from a single minded purpose.

### 10.3. NETWORKS SCAN

Identify sympathizers in similar networks and draw up a “Directory”; link up with them where relevant and not reinvent the wheel.

## 11 WEBSITE DEVELOPMENT

1. Name = Fair Climate
2. Owner = Icco/Kerk in Actie
3. Administrator/Webmaster = In-house Staff of Kerk in Actie  
– Gert de Gans or IT Professional?
4. Developer = Mikhail Esteves, Tristle Technologies Pvt. Ltd.
5. Audience
  - a. General Visitor
  - b. Concerned Citizen from Annex I countries
    - i. Information
    - ii. Action Possibilities
  - c. Activists
  - d. Grassroots NGOs
    - i. Develop CDM Projects
    - ii. Implement CDM Projects
    - iii. Monitor CDM Projects
  - e. Carbon Investors
    - i. Energy ER Buyers
      1. CERs
      2. VERs
        - a. Voluntary Emission Reductions (European Markets)
        - b. Verified Emission Reductions (US Markets)
    - ii. Forestry ER Buyers
      1. temporary CERs
      2. long CERs
    - iii. Direct Compliance Buyers
    - iv. Carbon Brokers
    - v. Honest Brokers
  - f. Young people
    - i. Wanting to learn – Engagement and Exposure
    - ii. Wanting to contribute – Placement opportunity
  - g. US Market
6. Languages
  - a. English
  - b. Dutch
  - c. German
  - d. French
  - e. Spanish
  - f. Portuguese
7. General Visitor
  - a. The Website has to pass the test of authenticity since overall Credibility is at stake. Information has to be accurate and up-to-date. How?
  - b. What extent of emphasis on questions of Ethics and Climate Justice?
  - c. Convey a pro-poor bias

- d. Convey a bent towards Operationalisation of CDM opportunities?
- 8. Concerned Citizens from “polluting” societies
  - a. Simple and understandable information
    - i. Case Studies with good Analysis
    - ii. Stories and Anecdotes with good Analysis
    - iii. Disseminate *Shudra* Science to work out Carbon Footprint implications
  - b. Offer Action Choices
    - i. Audit one’s own Carbon Footprint
    - ii. Contribute to III World work
    - iii. Any other?
  - c. Engage in Debates and Discussions
  - d. Relate to particular CDM Projects
    - i. Arrange field visits
    - ii. Email exchanges
- 9. Activists
  - a. Moderate Debates and Discussions
    - i. Methodologies
    - ii. Corporate Lobbies
    - iii. Fair Price for Emission Reductions
    - iv. Ethics
  - b. Support Global Stakeholder Processes of pro-poor PDDs
  - c. Give voice to Community Knowledge Paradigms and *Ethno Biologists*
- 10. Legal and Financial Experts
  - a. Work out finance Models for CDMs
  - b. Demystify Carbon pricing
- 11. Grassroots NGOs
  - a. Tracking the progress of CDM Development
    - i. Processes as listed in the Excel File
    - ii. Potential Contributors can register their offers of paid, *pro bono* , and voluntary work to CDM development
  - b. Online Monitoring of CDM Projects
    - i. Domestic Biogas, Photovoltaic, Afforestation/Reforestation, etc.
    - ii. Implementation Progress
    - iii. Monitoring/Verification of ER generation
- 12. Relationship with Tristle Technologies Pvt. Ltd.
  - a. Contract Tristle for design, development and deployment?
    - i. Costs
    - ii. Evolving Needs based on digitization possibilities
  - b. Employ Mikhail for 1 year as in-house Developer?
    - i. Based in Bangalore/Bagepalli
    - ii. Salary
    - iii. Actual Travel costs to Utrecht – how many times?