



# Service Package Carbon Team

*Version 27 September 2012*

The Fair Climate Network Southern Africa (FCN SA) is convened by the Nova Institute. The basis of FCN SA is a Carbon Team that works under the directions of the convenor and the Core Group.

The capacity building services offered by the Carbon Team are only available to FCN SA member organisations. FCN SA is an open and welcoming network for organisations that want to tap carbon resources for the sustainable development of the poor. FCN SA only assists with activities that contribute to pro-poor fair climate objectives.

The Carbon Team is based in Pretoria, South Africa. The services are divided in different phases. Depending on the situation, context and needs of the member organisation, this service package may be altered. This service package is also subject to change based on input from FCN SA member organisations and experiences derived from the cooperation and will therefore be updated when necessary. Applications for services rendered as described in this service package have to be presented to the Carbon Team and will be evaluated on a case to case basis. The Carbon Team has full discretion to evaluate applications and attains the right to accept or reject an application.

## **1. Phase 1: Introduction to the carbon market & projects**

The objective of this phase is to inform NGOs about possibilities of the carbon market and how underprivileged communities can benefit from carbon projects.

### **1.1. Introductory capacity building workshop**

The Carbon Team organises an introductory capacity building workshop that would typically take one or two days. This workshop is open to any NGOs that would act as project implementer (project owner) and that look for a first introduction to climate change, the carbon markets and the concept of carbon projects. The workshop has a practical component during which the participants practice to identify projects. The number of participants is limited to approximately 30 people.

### **1.2. Bilateral meetings and field visits**

The Carbon Team selects a number of promising NGOs and subsequently meets with one or two representatives, typically the director or programme manager, to discuss the strategic possibilities of starting carbon projects. In these bilateral meetings the Team and the NGO discuss the objective and services of the CT, and explore cooperation in specific project opportunities.

## **2. Phase 2: In depth knowledge and skills development**

The objective of this phase is to develop skills and knowledge of principle NGOs, to enable them to start pro-poor projects, and to assist principle NGOs to adopt a professional and business attitude necessary for a carbon project.

### **2.1. Capacity assessment**

The Carbon team applies a Capacity Assessment Framework to most promising NGOs that have taken initiative to contact the Carbon Team. The objective is to identify strengths and possible improvements of the organisation.

## **2.2. In-depth training for principle NGOs**

The Carbon Team organises an in-depth workshop for one or two selected NGOs that showed serious enthusiasm about and dedication towards commencing carbon projects (principle NGOs). This workshop typically lasts 3- 4 days and targets all NGO staff that is somehow involved in a carbon projects, including a management representative, a project and/or programme manager, a financial manager, a legal advisor, a database manager and a field manager. The workshop introduces the staff to climate change, carbon offsetting, the standards, the process of registration, the lifecycle of a project, the roles and responsibilities, the business and financial aspects of carbon projects, and the relevant technologies which could include woodstoves, biogas, photovoltaic lamps, biogas, micro-hydro, low carbon farming, forestry, etc. The training results in one or more well defined projects that can be assisted by the Carbon Team, as well as a clear understanding of the NGO what it entails to start a carbon project.

## **3. Phase 3: Project design**

The objective of this phase is to build capacity of NGOs to design pro-poor carbon projects. Phase 3 commences when the Carbon Team and the NGO enter into an agreement that stipulates the cooperation including the tasks and responsibilities.

### **3.1. Select the best standard, methodologies and technology**

For each project the Carbon Team selects the most appropriate standard and methodology and discusses this choice and the consequences with the NGO. The Carbon Team and the NGO will jointly take the final decision on selection of the most appropriate standard, methodology and technology. This is done via distance assistance.

### **3.2. Visit to principle NGOs**

The Carbon Team visits the principle NGO to assess strengths and challenges of the organisation through participatory workshops and assessment tools. The visit also focuses on the specific project opportunities that were identified during the in-depth workshop. This step results in a detailed project design as well as a clear roadmap for the NGO to get ready to start a carbon project.

### **3.3. Assist NGOs with further specification of the project design**

The Carbon Team assists the NGO with further details concerning the design of the project(s). Special attention is given to the sustainable development component of the project and the Fair Framework. This is done via distance assistance.

### **3.4. Assist NGOs with organisation, finances, and legal issues**

The Carbon Team assists the NGO with the development of a viable business case for the project, including the implementation costs and the carbon revenues. Furthermore the Carbon Team will focus on necessary organisational updates as well as legal skills. This is all done via distance assistance.

### **3.5. Assist NGOs with obtaining appropriate hardware and software**

The Carbon Team advises the principle NGO on the appropriate hardware and software necessary for project implementation, data collection and monitoring and assist the NGO with obtaining this hard- and software. This is done via distance assistance.

## **4. Phase 4: Project registration**

The objective of this phase is to register carbon projects. The procedure depends on the decision to register the project as a compliance (CDM) or voluntary project, the choice of standard and the scale.

### **4.1. Passport or Project Idea Note (PIN)**

The Carbon Team drafts a document that contains a (non-technical) summary of the project activity. In case of a Voluntary Gold Standard Project, this would be the Gold Standard Passport.

In case of CDM, this would be a Project Idea Note (PIN). The Carbon Team also assists the NGO with the opening of relevant accounts, for example with the Designated National Authority (DNA) or the appropriate standard. If necessary the Team assists the NGO with acquiring a letter of no objection from the DNA.

#### **4.2. Guide the principle NGOs through field activities**

The NGO undertakes all necessary activities in the field, including collection of necessary data for Project Design Document (PDD) preparation, organising and facilitating the Local Stakeholder Consultation (LSC), baseline surveys and field tests, and any other collection of data for the baseline or any other reason. The Carbon Team will assist the NGO with these activities, first by visiting the NGO to develop and plan the activities and subsequently by distance assistance.

#### **4.3. Prepare the baseline study**

On top of the data collection in the field done by the NGO, the Carbon Team conducts necessary (literature) research to determine the baseline. When necessary, additional baseline surveys in the field will be carried out by the principle NGO. The Carbon Team will provide the format and procedures for such surveys and will integrate the data into the PDD.

#### **4.4. Draft Project Design Document (PDD)**

The Carbon Team prepares the Project Design Document based on the data from the principle NGO. If this involves a second stakeholder feedback round, the Carbon Team assists the NGO with the necessary activities.

In case of CDM, The Team submits the PDD to the Designated National Authority and assist the NGO with acquiring a Letter of Approval (LoA).

#### **4.5. Monitoring and verification protocol**

The Carbon Team elaborates the monitoring and verification protocol from the PDD, for example by preparing training or sampling manuals. The principle NGO will update and adapt its organisational structure and business to implement the inclusive protocol.

#### **4.6. Designated Operational Entity (DOE), validation and review**

If necessary the Carbon Team assists the principle NGO with identifying a DOE. Choice of DOE and validation fee and terms of payments will remain the responsibility of the principle NGO. The NGO will inform the DOE in writing that the Carbon Team will interact with the DOE in day-to-day working matters regarding the PDD development.

The Carbon Team assists the principle NGO with all necessary activities to achieve validation, such as replying to queries from validators and/or public, site visits, desk reviews, etc.

## **5. Phase 5: Project implementation and monitoring**

The objective of this phase is to implement the project and ensure good quality monitoring reports.

#### **5.1. Assist NGOs with implementation**

The NGO is solely responsible for implementation. The NGO can approach the Carbon Team for advice if necessary and the Carbon Team can decide if and how assistance can be rendered.

#### **5.1. Assist with drafting and negotiating the ERPA**

The Carbon Team can assist the NGO with the drafting and negotiating of the Emission Reduction Purchase Agreement (ERPA), whereas the contract remains the sole responsibility of the NGO. The Carbon Team will reply to (technical and non-technical) queries from the NGO and advises on an ad-hoc basis while the initiative lies with the NGO.

The Fair Climate Network Southern Africa provides a platform for project owners and investors to meet and interact, for example through meetings, workshops and the website.

## 5.2. Assist NGO with monitoring

The Carbon Team assists the NGO with implementing the monitoring systems as per the PDD requirements, and will assist the NGO with conducting sample surveys and gathering other necessary data. The data will be analysed to assess if the project activity is per the PDD and if the monitoring systems are in place.

## 5.3. Monitoring report

The Carbon Team drafts and submits the first monitoring report based on the data supplied by the principle NGO. The subsequent yearly monitoring reports are not part of the service package of the Carbon Team. The NGO can contract the Carbon Team, draft the monitoring report by itself, or contract another party.

## 5.4. Verification

If necessary the Carbon Team assist the NGO with identifying a Designated Operational Entity (DOE) for verification. The Carbon Team assist the NGO with getting the project verified. This includes accompanying the DOE during on-site visits and respond to all queries resulting from information that was provided. Issues with regards to implementation will be addressed by the NGO. If necessary the Carbon Team revises the monitoring report. The relevant document will be submitted to the relevant bodies.

## Roles and responsibilities

The **NGO** is the project owner and is responsible for:

- All field activities necessary to achieve registration;
- The actual implementation of the project;
- Payments of all fees;
- Contractual agreements, including ERPA.

The **Carbon Team** advises and assists the NGO and provides technical expertise. It's responsibilities include:

- Assist the NGO where necessary throughout the process;
- Build capacity of NGO to enable it to start a project through the services offered in the service package;
- Draft technical documentation, including PDD and monitoring report;
- Direct communication with DNA, DOE, CDM, GS, UNFCCC regarding technical issues, including uploading of relevant documents.

A more detailed description of roles and responsibilities is included in the contract between the NGO and the Carbon Team that is drafted at the start of phase 3.

## Finances

- The services of the Carbon Team as described in the service package are generally provided free of charge to the NGO that enter into an agreement with the Carbon Team, unless differently specified.
- All fees, including but not limited to fees for host country approval, DOE validation, CDM and/or Gold Standard registration, verification, and issuance of credits, are purely the responsibility of the NGO that is the project owner. These fees will typically be included in the business case and the ERPA.
- The NGO is responsible for the costs that result from all field activities, including but not limited to the stakeholder consultation, implementation, and monitoring. These costs will typically be included in the business case and the ERPA.
- The NGO is responsible to all costs that result from necessary organisational updates. These costs will typically be included in the business case and the ERPA.
- Each party will bear their own travel costs.