



Foundation for  
Climate Protection and  
Carbon Offset Klik



11/10/2022



**COP27**

# **Generating ITMOs in Accordance with Article 6.2 under the Bilateral Cooperation Agreement with Switzerland**

## **Speakers:**

- **Jacqueline Jakob**, KliK Foundation
- **Janina Schnick**, MyClimate
- **Ingo Puhl**, South Pole
- **Sergi Cuadrat**, ALLCOT
- **Ken Newcombe**, C-Quest Capital
- **Raphael Eberle**, ACT Commodities

**klik**

Sharm El-Sheikh, IETA BusinessHub, 18:00-19:30

# Agenda



KliK Foundation  
Mandate

1

Your Role

2

Requirements

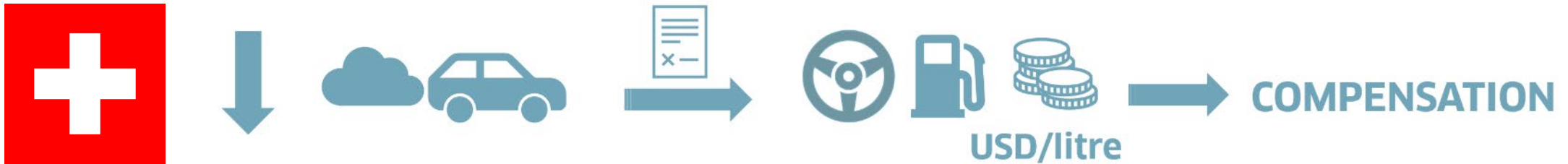
3

Procurement Process

4

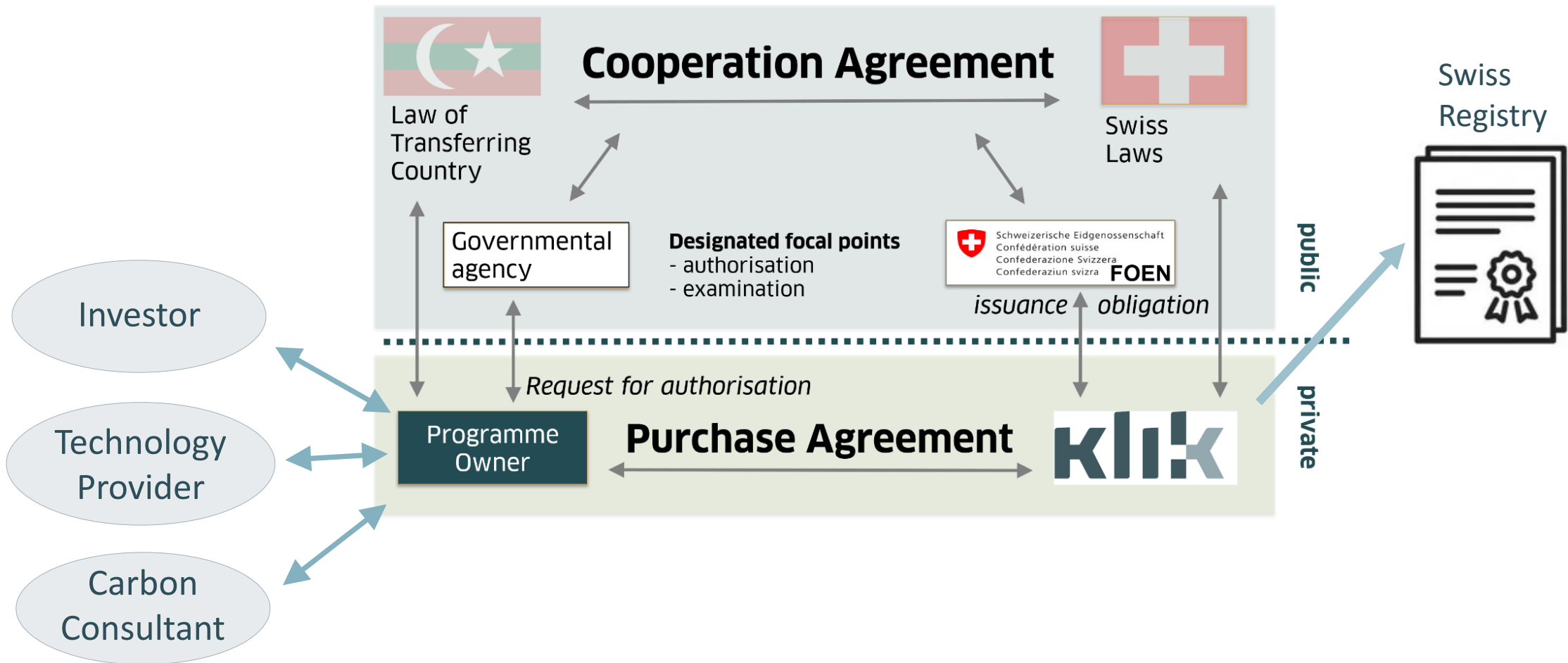


# 1. Mandate: Who is the KliK Foundation?



- ▶ Private entity
- ▶ Compensating emissions from the Swiss transport sector nationally and globally (purchase of ITMOs)
- ▶ Acting on behalf of Swiss motor fuel importers
- ▶ Obligated by Swiss law to buy 20-40 million ITMOs (t CO<sub>2</sub>e until 2030, 3-5 m in host country)
- ▶ ITMOs are bought from Thailand and used by Swiss government to fulfil NDC target

## 2. Your Role within Public-Private Architecture





### 3. Requirements: General Eligibility Criteria

- ▶ **Aligned with the host country's NDC**
- ▶ **Programmes** not yet implemented
- ▶ Programmes **must** be **additional** (no business-as-usual)
- ▶ Hydro-power **smaller than 20MW**
- ▶ **No forestry**
- ▶ No nuclear power and no fossil fuel lock-in (no O&G projects)
- ▶ Larger programmes (**250'000 t CO<sub>2</sub>** reduced until 2030)

#### Cooperation Under Bilateral Implementing Agreement With Switzerland



Dominica



Georgia



Ghana



Peru



Senegal



Thailand



Ukraine



Vanuatu

#### Bilateral Implementing Agreement Expected Soon



Malawi



Morocco



Uruguay

Check out the Enforcement Notice of FOEN:

<https://www.bafu.admin.ch/bafu/en/home/topics/climate/publications-studies/publications/communications-enforcement-co2-ordinance.html>

# Klik Foundation: Our Portfolio

- ✓ Solar PV programs: Ghana, Dominica, Thailand
- ✓ Clean cooking: Malawi, Peru, Ghana
- ✓ Biogas: Senegal, Morocco, Peru
- ✓ Energy Efficiency for SMEs: Morocco, Peru
- ✓ Energy Efficiency in buildings: Georgia
- ✓ Electric Mobility: Thailand, Senegal, Dominica
- ✓ Waste management: Ghana, Senegal, Morocco
- ✓ AWD: Thailand
- ✓ Green cooling: Ghana, Thailand
- ✓ Sustainable cement: Thailand



## Programme Types of Interest



Solar PV



Biogas



Clean  
Cooking



Industrial  
Energy  
Efficiency



Organic  
Waste



Alternate  
Wetting  
and Drying



Electric  
Mobility



CO<sub>2</sub> Reduction  
in Cement  
Production



Buildings  
Efficiency



Green  
Cooling



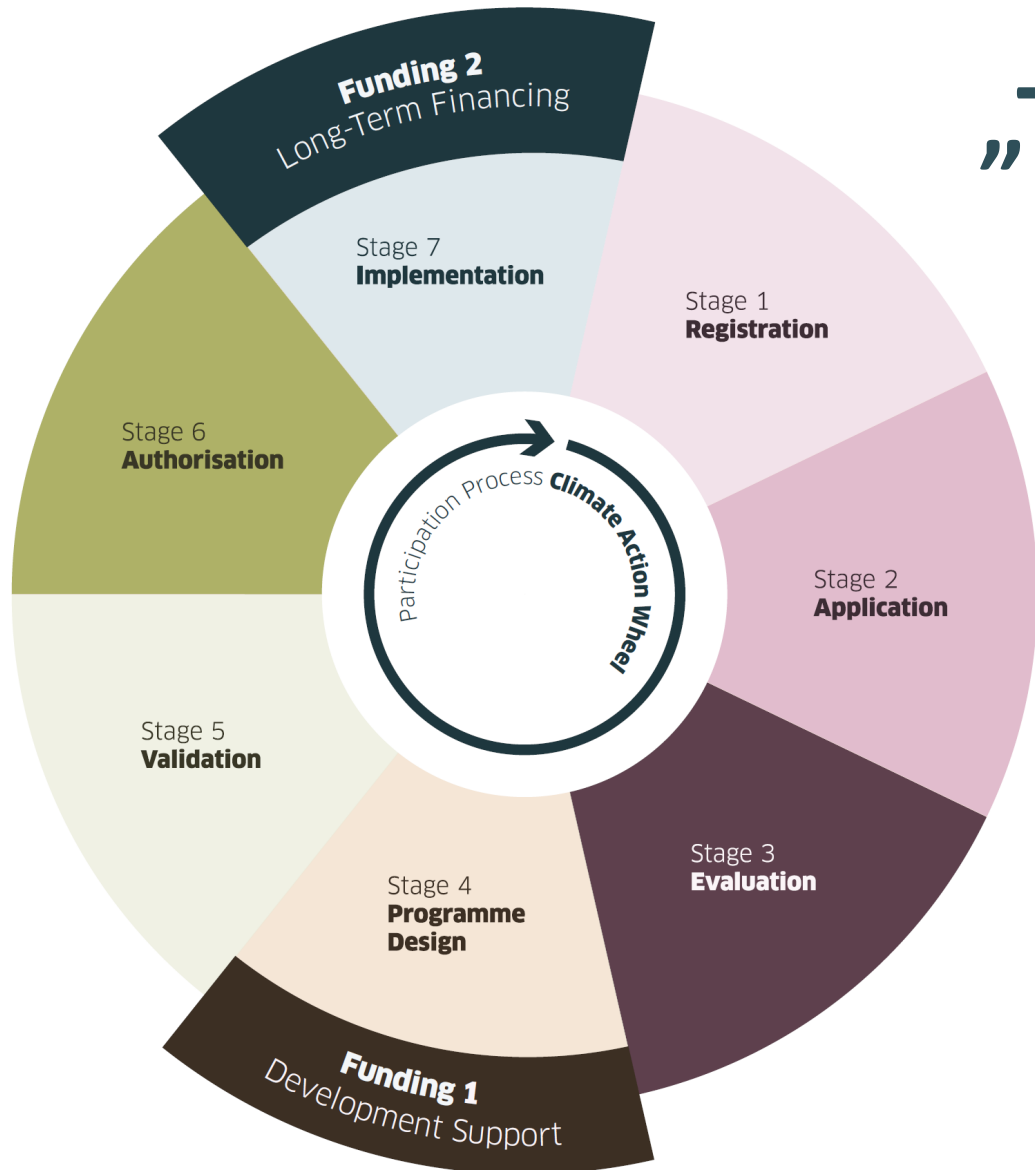
District  
Heating



Your  
Own Idea



## 4. Procurement Process

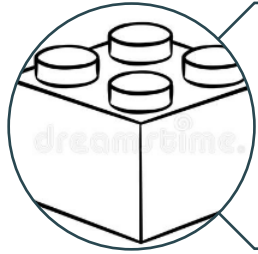


## „The Climate Action Wheel“

Funding opportunities:

- ▶ 1. Conceptual development
- ▶ 2. Purchase of the resulting emission reduction

# Eligibility Checklist



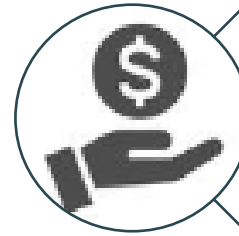
Structure and Scale



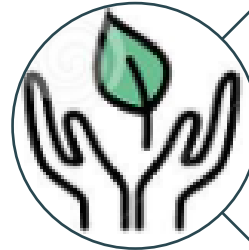
Financing Requirements  
and Viability



Plausibility of Business  
Modell



Financial Additionality  
& Role of Carbon



Self-Sustainability



Early Consideration of  
Support



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**Current Activities**



**Newsletter KliK Foundation**

**[www.international.klik.ch/en](http://www.international.klik.ch/en)**



# Guiding Questions

- ▶ Experience with respective programmes in development?
- ▶ Scope of interventions?
- ▶ Challenges ensuring due process (registration, transaction)?
- ▶ Host country institutional set-up and experiences?
- ▶ How can developers ensure demands in terms of environmental integrity?



# Developing projects with **KliK Foundation:**

Generating ITMOs under bilateral agreements



### Consulting & Services

myclimate offers customised solutions for sustainability and climate protection to companies of all sizes through carbon footprint analyses, IT tools, labels and resource management support.

### Education

Through our interactive and action-oriented educational programmes, we encourage everyone to make a contribution towards our future.



### Climate protection projects

Our high-quality projects promote quantifiable emission reductions and sustainable development worldwide



# myclimate carbon offset projects at a glance

myclimate has developed and supported  
over 174 carbon offset projects in  
45 countries around the world since its  
foundation in 2002.



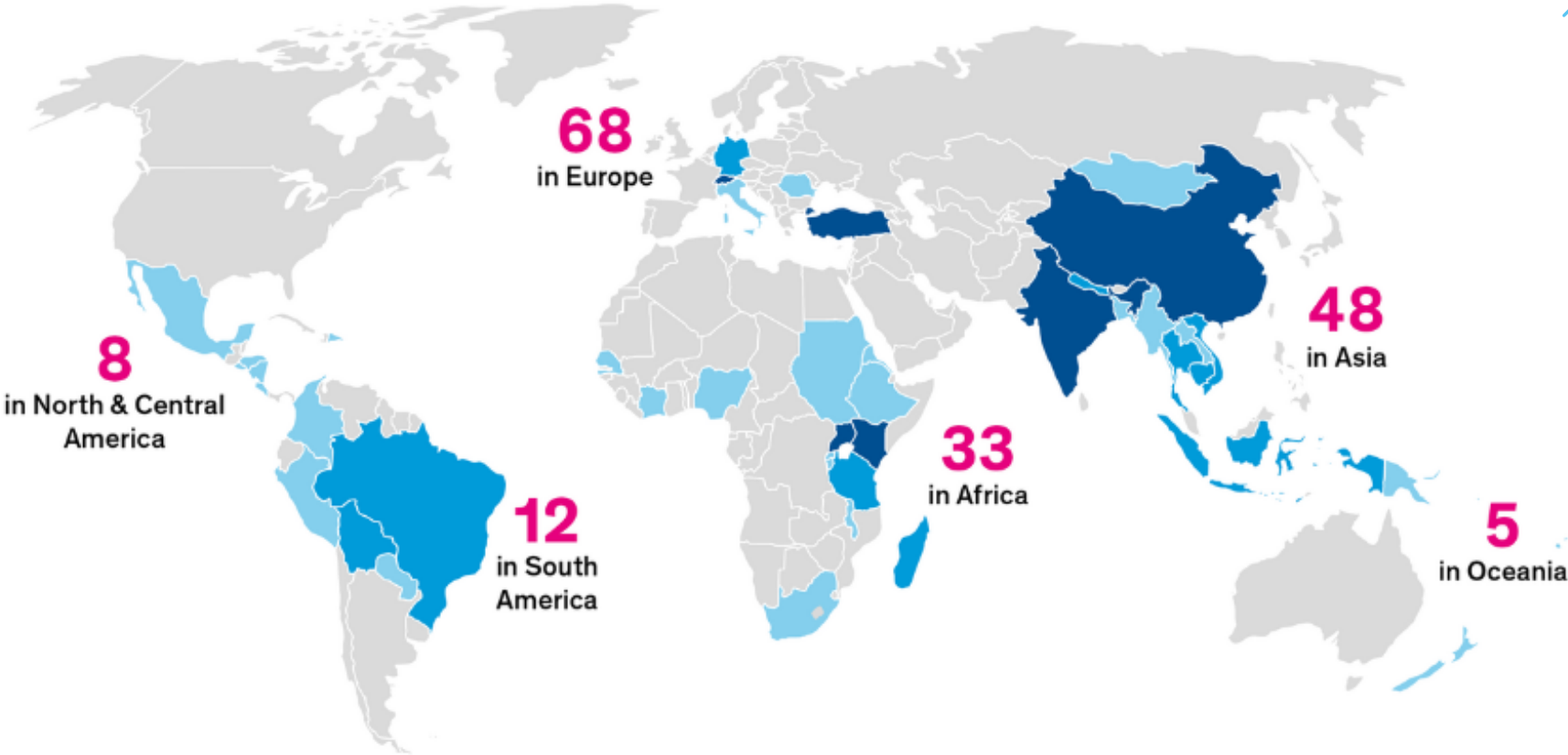
# of carbon offset  
projects



174  
projects

45  
countries

10  
technologies



Dominican Republic  
Solar Power Plant



China  
Efficient cookstoves



Brazil  
Biomass Power Plant



Uganda  
Water filters





**EcoCarSolaire**

*Mobilité et transport durable à Dakar*

**Technology:** Solar / E-Mobility

**Approach:**

- Transforming diesel-fuelled “Cars Rapides” into electric “Cars Solaire” powered with electricity from photovoltaic systems
- Setting up a network of solar stations for vehicles to charge or change their batteries

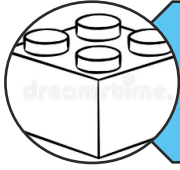


**Emission reductions:** up to 300,000 tCO<sub>2</sub> by 2030

**Project developer:** myclimate & MANDU | consulting

**Project implementer:** MANDU | consulting / EcoCar Solaire Consortium

# EcoCar Solaire Eligibility



## Structure and Scale

- Aligned with Senegal's **NDC** & additional (**one of a kind**)
- Up to **300,000 ITMOs** by 2030



## Financing Requirements and Viability

- **Results-based financing** contingent on delivery of emission reductions
- Increased capital needed at the inception



## Plausibility of Business Model

- Project builds on **existing informal transport system** with known demand
- **Breakeven** expected in 3-4 years



## Financial Additionality & Role of Carbon

- **Carbon finance** needed to scale project model
- **Subsidies** for solar components and bus transformation kit



## Self-Sustainability

- **Low-tech, cost-efficient, scalable** approach
- Supports local economy by securing up to **30,000 jobs**



## Early Consideration of Support

- Starting in **2023** – not yet implemented
- Based on internationally recognised **standards**

# Collaboration with KliK Foundation

## Developing projects with KliK Foundation

- Productive, uncomplicated working relationship
- Regular guidance and clear expectations throughout the project development process
- Helpful points of contact and clear communication
- Flexibility and openness towards new, unusual or difficult project set-ups (high-hanging fruit!)



## Project development process



# Planned projects with KliK in Georgia



## Energy-efficient heating in rural Georgia

**Technologies:** Fuel-efficient stoves – Solar water heaters – thermal insulation

**Local implementer:** Women Engage for a Common Future (WECF)

**Emission reductions:** Up to 640,000 tCO<sub>2</sub> by 2030

## Renewable Energy Cooperatives

**Technologies:** Small-scale solar, wind & hydro

**Local implementer:** Caucasus Environmental NGO Network (CENN)

**Emission reductions:** ~300,000 tCO<sub>2</sub> by 2030



## Sustainable biomass production & utilisation

**Technology:** Energy-efficient stoves using biomass briquettes/pellets

**Local implementer:** Caucasus Environmental NGO Network (CENN)

**Emission reductions:** Up to 700,000 tCO<sub>2</sub> by 2030



# Future plans, challenges & opportunities

## Project pipeline

**Mozambique**  
Solar mini-grids



## Senegal

- Biogas for wastewater treatment
- Solar-powered water towers
- Geothermal energy & solar



## Kenya

- Energy-efficient school kitchens



## Challenges

- Uncharted territory:
  - Coordination with governments
  - Implementation of Corresponding Adjustments
- High-hanging fruit:
  - More complex approaches & technologies = higher costs

## Opportunities

- Government commitments for long-term climate protection
- Higher carbon prices → more funding for climate action
- New, efficient and scalable technologies



<https://www.myclimate.org/>

[Janina.Schnick@myclimate.org](mailto:Janina.Schnick@myclimate.org)

# Thank you!





# **On E-Mobility, Green Cooling, Biogas**

**Ingo Puhl**

Founding Partner of South Pole Group



Climate Change & Sustainability solutions

November 2022



[www.allcot.com](http://www.allcot.com)



[info@allcot.com](mailto:info@allcot.com)



# About the Session

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Side Event at COP 27

## KliK Foundation Programme Developer Event

Generating ITMOs in accordance with Article 6.2 under the bilateral cooperation agreement with Switzerland  
Sustainable Waste Management Programme for the generation of ITMOs in Senegal



### When

Thursday,  
10. Nov. 2022,  
18.00 - 19.30 (20.30)



### Where

IETA Business Hub Zone: B;  
Building: Delegations Pavilion;  
Room/Stand: IETA Pavilion



# Baseline Scenario

- Senegal's NDC includes waste management as a priority sector with high potential for **reducing GHGs**.
- The recovery of organic waste through composting and mechanization are options identified by Senegal to increase its **GHG reduction ambitions**.
- The country intends to **reduce emissions** from its sector by 13% by 2030 and by 31% over the same period if external assistance is provided (Conditional).





# Mitigation Activity

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The programme is composed of the construction of **eight new composting facilities** for the treatment of the organic fraction of municipal solid waste that will be diverted from a solid waste disposal site that otherwise would produce methane emissions by anaerobic decay.



GHG emissions reductions estimated **35,000 tCO<sub>2</sub>e/year** during the period of this cooperative approach 2024-2030.

Compost production will be 50,000 tonnes/year.

Recycling of 100,000 tonnes/year of plastic materials (HDPE, LDPE, PET, and PP).



# Implementation Plan

STRUCTURATION	MONTHS																	
ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Design of the programme	✓	✓	✓	✓	✓	✓												
Feasibility study of the eight sites	✓	✓	✓	✓	✓	✓												
Elaboration of the technical documentation							✓	✓	✓	✓	✓	✓						
Construction starting of all the composting plant							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



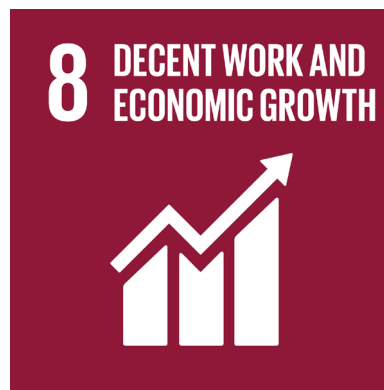
# SDGs Framework

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## SDG 4

The mitigation activity will implement **professional training** between the workers in the composting Facilities.



## SDG 8

Creation of new technical jobs by the project as well as **labour employment**.

Source of foreign exchange earnings through the creation of markets for composting by-products.



## SDG 11

This Mitigation Activity will reduce per capita environmental impact of cities, in this case through the **improvement of waste management**.



# The Implementation Use of Article 6



Article. 6 should be used to finance the **mitigation actions** of higher abatement costs within the NDCs.



Waste Management in Africa requires a **high ITMO price** to overcome barriers.



**Institutional arrangements** are hard to be implemented by project developers.



Financing should be facilitated by **ITMO buyer country**. Getting the reward is a result of taking the risk.



**Technology transfer** needs to be adapted to local conditions.



**Capacity-building** at all levels for the long-term success of Article. 6 implementation and operations



# CONTACT ALLCOT

## CHANGING

## CLIMATE CHANGE



[www.allcot.com](http://www.allcot.com)



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# Klik Foundation Project Malawi: **The Lilongwe Project**

**Project Objectives: Cut charcoal use in half in 5 years; eliminate open fire cooking within 50km radius**



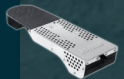
## **1. Eliminate harmful three stone fire cooking**

- 600,000 village households using open fires within a 50km radius of Lilongwe get Double CQC Rocket Stoves.



## **2. Replace at least half of all current charcoal using households in five years**

- ~ 170,000 fan-assisted and natural draft pellet and wood burning stoves replacing charcoal in urban areas.
- ~ 2,000 Roadside food stalls converted to fan-assisted ('JetFlame') combustion systems.
- ~1,000 Tea rooms/restaurants with high efficiency institutional stoves



## **3. Build sustainable fuel sources**

- CQC and its affiliate Ener-G-Africa (EGA) supply sustainable biomass fuel-stoves ecosystems on fully commercial basis. Stikwood and Pellets.

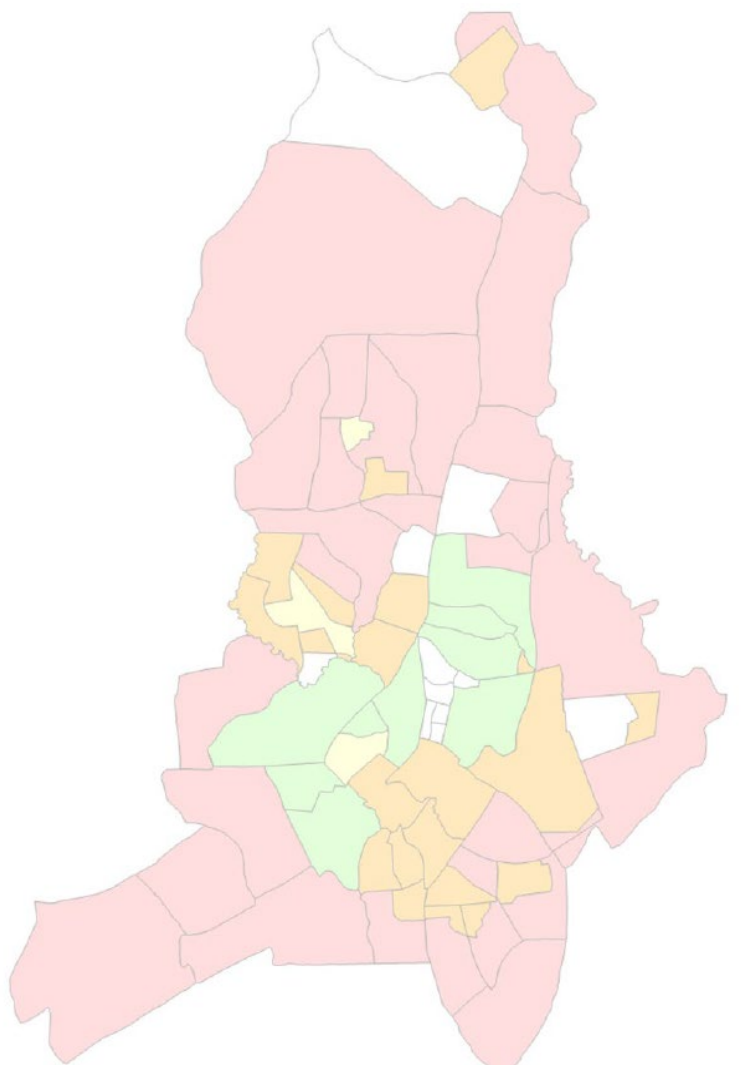


## **4. Improve economic wellbeing of program recipients**

- Women entrepreneur fuel production for urban market: 2 bamboo seedlings per household per year to women using project stoves within 50kms. CQC will buy back bamboo fuel for urban households and restaurants. ~10,000 ha over 7 years

# Lilongwe Market Mapping (Households)

Innovative GIS Mapping of Roof Type correlated with fuel consumption and cook stoves to target consumers for specific “fuel-stove” ecosystems. Targeting 223,000 urban households and 600,000 peri-urban and rural households



## Peri-Urban Red

- Transition areas between rural and urban communities and have a mix of rural and urban characteristics with some collection of fuel and some purchasing fuels, including both firewood and charcoal
- Ideal for low cost, time saving products






## Urban Orange, Yellow and Green

- Higher income earning
- Mainly cook with charcoal, electricity, and some LPG
- Candidates for more sophisticated products
- Offer a diversity of “fuel-stove” combination all offering faster, cleaner, and cheaper solutions

Market	Socio-economic	Average Income / Month (USD)	Wood	Charcoal	Electricity	Gas	Total Households
Urban Green	High	\$1,000	3.0%	30.8%	44.3%	14.1%	6,856
Urban Yellow	Upper Middle	\$150	4.7%	37.5%	47.2%	1.9%	2,919
Urban Orange	Middle	\$50	16.9%	45.8%	26.4%	1.4%	40,754
Peri-Urban Red	Low	\$35	20.9%	54.5%	14.4%	0.3%	173,017
							223,546


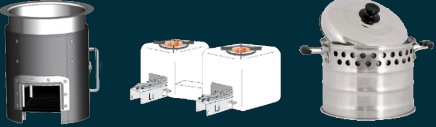


# Fuel-Stove Ecosystem Selection by Income

Product trials /and focus groups used to select from 6 new or re-designed stoves and fuels for market entry in each income strata.

Stove Tested (Fuel Type)	Market Segment / Product Match			
	Peri-Urban Red	Urban Orange	Urban Yellow	Urban Green
Arc Natural (Stick) 	✓			
Baldwin (Stick) 	✓			
Flex (Stick) fan assisted 	✓	✓	✓	
Lello (Pellet) – fan assisted 	✓	✓	✓	✓
Natural Draft TLUD (Pellet) 				
Oorja / Ecochulla Elegant (Pellet) 		✓	✓	✓

# Commercial Cooking Fuel-Stove Ecosystems

Combinations of large and small scale stoves, fuels and cooking pots with and without chimneys

Stove Combination to be Tested	Expected Market Segment / Product Match		
	Schools / Medical Centers	Closed Wall Restaurants / Tea/ Dining Rooms	Daytime Food / Tea / Chippie Stands
Modified Rocket Stove with Jet Flame Fan Assistance 			✓
Baldwin with Rocket Stove Combo and SuperPot 	✓	✓	
Double Baldwin with Chimney 	✓	✓	
Institutional Stove 	✓	✓	



Transformation Carbon

**CQuestCapital**

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# Generating ITMOs in accordance with Article 6.2



# Transformative Cookstove Activity in Rural Ghana

- Dissemination of 60,000 ICS.
- Beneficiaries in the rural regions of Ghana, with a focus on agricultural communities.
- Stove reduces biomass usage by 60% or more.
- Reduction in smoke and toxic fumes by up to 80%.
- Local assembly and distribution creates skilled labour.
- Design of a dedicated fund that provides micro-loans to farmers.





# Malawi Dairy Biogas Program

- Installation of 10,000 biogas digesters.
- Beneficiaries are dairy farmers with 2-20 cows on average.
- Digesters turn manure into valuable biogas, providing farmers access to a clean energy source that can be used for cooking.
- By-product of the digesters is a slurry that can be used as an organic fertilizer.







**COP27**

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