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Mitigation Activity Idea Note (MAIN)

This template is issued by the KliK Foundation and shall be used for a standardized submission of a Mitigation Activity Idea Note (MAIN).

Please make sure you have read the relevant guidance documents **before** filling out this template. Please provide concise responses in the grey fields.

Version	V5
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Climate Protection and
Carbon Offset KliK

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1 Basic Information

Name of Mitigation Activity ("MA")	<< Maximum 100 characters >>		
Date of Submission	<< Date >>	Template version	03.04.2023
Confirmation by the Applicant:			
Version of this template is current as indicated on the KliK Foundation's website			☐ yes
The current Eligibility Guidance document has been considered			☐ yes
The current ICS Guidelines have been considered (if applicable)			☐ yes

2 Key Facts

Summary	<< Text max. 200 words>>
Country *Refer to Eligibility Guidance document*	<< Name >> ☐ Bilateral cooperation agreement available ☐ Bilateral cooperation agreement not available
Start Date *When is the MA due to start?*	<< Date >>
Volume *Aggregate tons CO2e until 2030*	<< Tons >>
Price *Price per ton (necessary financial support/ ITMO volume)*	<< USD/ton >>
Letter of Intent *Refer to Eligibility Guidance document*	☐ available ☐ requested ☐ not yet requested

3 Participating Entities

	Name	**Roles (can be multiple for one entity)**
Owner *Expected contractual counterparty for KliK Foundation. Owner in control of the Mitigation Activity and recipient of Internationally Transferred Mitigation Outcomes (ITMO) payments by KliK Foundation*	<< Name >>	<< Description >>
Manager *Responsible for MA's operation*	<< Name >>	<< Description >>
Investor *Investor responsible for providing the upfront financing needed to start the activities*	<< Name >>	<< Description >>
Carbon Consultant *Responsible for carbon certification and accounting*	<< Name >>	<< Description >>

<< Other >>	<< Name >>	<< Description >>

4 Description of Mitigation Activity

Mitigation Activity Type *Indicate MA's type according to Eligibility Guidance document or state «other».* *Explain why it is eligible.*	<< Project type >> <<Description of eligibility>>
Mitigation Activity *Describe the MA in detail and explain how it will reduce emissions.* *If emissions are reduced through several activities (e.g., modal shift and switch from combustion engine), indicate their respective contribution.* *What is the lifetime of the Mitigation Activity?*	<< Text >>
Status of the Mitigation Activity *What is the status of the MA?* *Mention completed studies or assessments (such as feasibility studies, Environmental Impact Assessments (EIA), grid emission calculations), agreements between MA's participants and other preparatory works.* *Confirm that the MA:* • *has not been commissioned or is not operating yet,* • *does not intend to sell mitigation outcomes generated before the intended authorisation,* • *the MA itself is not registered as a MA prior to 2016 under the CDM or other independent standards.*	<< Text >>
Participants, Stakeholder, and Roles *Please describe how the entities mentioned above will interrelate during the implementation and operation of the MA.* *Mention any other, for example:* • *Implementing entity* • *Outreach and extension / capacity building* • *Final beneficiaries of the MA* • *Other relevant stakeholders*	<< Text >>
Structure of the MA *Is the MA a project or a programme?* *If it is a programme, please explain who would act as the coordinating and managing entity and how inclusions would be done.*	<< Text >>
Scale *Provide an estimate of mitigation outcomes over the course of the proposed crediting period for each technology or component applied in the MA.* *Please explain, how the MA can achieve the targeted minimum scale set out in the Eligibility Guidance document.*	<< Text >>
Timeline	<< Text >>

Provide a schedule with the milestones until commissioning / operation starts. *Specifically mention preparatory work required for the roll out (capacity building, data acquisition, MRV implementation).*	

5 Business Model and Finance

Business Model *Describe the business model for the MA:* • *What is the product or service?* • *What are the target markets / customers?* • *What is the financial viability of the MA (e.g., prices, incentives, willingness to pay, profitability, …)?* • *What is the carbon revenue used for?* • *Is there a strategy to make the MA eventually self-sustaining, possibly enabling the transferring country to raise its ambition?* *Provide an overview of the main financial flows among the participants, including the flow of carbon revenue.* *Please make sure you explain why the business model is plausible according to the indications in the Eligibility Guidance document.*	<< Text >>
State of the Art *Explain why the MA constitutes state of the art in the sector.*	<< Text >>
Financing Requirements *What are the financing requirements?* *How will the capital needs at inception be met?* *How will the sale of ITMOs help to overcome financial barriers? How will you overcome the time lag between the start of the MA and the results-based payment for ITMOs?* *What options are available in case of underperformance of the MA?*	<< Text >>
Financial Additionality *Why would the MA require long term support through result-based finance?* *Please explain, how the monetisation of the mitigation outcomes / carbon revenues generated by the MA are needed for a successful implementation and sustained operation.* *Can this argument be complemented by evidencing that the technology is not common practice?*	<< Text >>
Self-Sustainability *Please assess the probability that the project continues after the end of the KliK Foundation purchasing programme. This could be due to:* • *development of a market for the product or service,* • *scaling of the programme,*	<< Text >>

• *future regulations that will make the MA compulsory,* • *changed socio-economic environment,* • *future support by other entities.*	
Track Record • *Do you have a relevant track record realising the proposed MA?*	<< Text >>

Risks	**Risks** *Please elaborate on the various risks:*	**Risk Mitigation** *How will you mitigate the described risks? How will you prevent delays?*
• *Political risk (e.g., stability, alignment between the programme and national priorities)*	<< Text >>	<< Text >>
• *Investment climate (relevant economic, financial, socio-political conditions in the country)*	<< Text >>	<< Text >>
• *Market risk*	<< Text >>	<< Text >>
• *Technology risk*	<< Text >>	<< Text >>
• *Other*	<< Text >>	<< Text >>

6 Alignment with National Climate Change Policy, Determination of Baseline

National Determined Contribution (NDC) Alignment *Which sectors and gases are covered by the NDC? Is the MA part of the scope?* *Please discuss according to the Eligibility Guidance document how the MA aligns with the NDC, and how it does not form part of the unconditional NDC target of the partner country.* *Please detail what other climate change mitigation / energy policies the partner country is planning for / has in force that might affect the proposed MA.*	<< Text >>
Baseline Setting *Describe the reference scenario that would occur in the absence of the MA.* *How are policies in relation with the NDC target identified above, as well as autonomous technology development considered in the reference scenario?* *Please also detail, why these assumptions are conservative in the sense, that they do not overestimate the mitigation outcomes?*	<< Text >>
Additionality to Baseline *Please discuss according to the Eligibility Guidance document how the MA is additional to existing laws and planned instruments to achieve the unconditional NDC.* *How will the MA affect suppressed demand and overall emission levels?*	<< Text >>

Environmental Integrity *Please elaborate on or confirm that mitigation outcomes are real (calculation with credible reference levels, avoidance of leakage, inaccuracies from fraud or error are addressed), additional to the NDC and to the BAU emissions scenario. Assessment includes a review whether the MA goes beyond business as usual.*	<< Text >>

7 Sustainable Development and Environmental Impact

Sustainable Development Goals (SDG) *Describe how the MA contributes to sustainable development (e.g., poverty reduction, working conditions, gender equality, job creation, etc.).* *What indicator system would you employ?*	<< Text >>
Human Rights and Corruption *Explain how the MA safeguards working conditions, diversity, and human rights.* *In relation with the sector and technology indicate the exposure towards corruption and explain what practices will be employed to mitigate the exposure.*	<< Text >>
Environmental Impact *Please detail possible negative impacts on the environment along the value chain of the MA (e.g., recycling of batteries or panels, uncontrolled venting protection from explosions or leakage, etc.).*	<< Text >>
Specific Requirements *Please respond to any other specific requirements that apply to the MA (e.g., Improved Cook Stoves).*	<< Text >>

Evaluation criteria of a MAIN

Each MAIN submitted will be assessed in a standardized way against a number of criteria of the KliK Foundation. Each owner of a mitigation activity will be informed about the assessment results in writing. The main assessment criteria are:

1. **Eligibility**: The mitigation outcome must be eligible by the transferring country, Switzerland and the KliK Foundation. A summary of the Swiss and KliK eligibility criteria can be found **here**. The countries confirm the general eligibility of the mitigation outcome by issuing a letter of intent.
2. **Scale and replicability**: Mitigation activities should deliver more than 250’000 ITMOs until 2030 and should be replicable in other countries.
3. **Business model and price:** The business model must be robust and financial structuring should be secured. Carbon finance from the KliK Foundation must be needed to implement the mitigation activity. The requested ITMO unit price must be comprehensible and competitive.
4. **Suitability:** The owner must be able to implement the mitigation activity successfully, based on their track record, financial strengths, organizational capacity, reputation, program management capability, and implementation capability.
5. **Implementation risk:** Political, commercial, legal and technological risk that the activity fails during implementation.
6. **Self-sustainability:** Mitigation activities must be able to continue operation beyond the KliK Foundation's support, as well as the potential of the mitigation activity to achieve long-term financial sustainability and technological diffusion.
7. **Early consideration:** The proposed activity must not be implemented or materially committed to until the application is approved. This means that no critical components of the activity should be ordered or purchased before approval.
8. **Double claiming:** The mitigation outcomes achieved by the mitigation activity must not be used by investors or others to offset company’s carbon emissions or used against other mitigation schemes such as Corsia.
9. **Environmental integrity:** Emission reductions from the mitigation activity must be real, additional and permanent, with a limited risk of environmental damage.
10. **Human rights:** Mitigation activity must not violate any human rights or property/land use rights of local communities.
11. **Corruption:** Risk that the implementation of the mitigation activity involves corruption which cannot be adequately mitigated.