



A GREEN GOAL 2010 WORKSHOP: SCOPING, PLANNING AND IMPLEMENTING THE CARBON OFFSETTING ACTION PLAN FOR HOST CITY CAPE TOWN

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Glossary of Terms:

Additionality: The topic of 'additionality' is hotly debated. In theory, it answers a very simple question: Would the project have happened, holding everything else constant, if the carbon offsets from it could not be sold? Or more simply: Would the project have happened anyway? If the answer to that is yes, the project is not additional.

Bio-Sequestration (BS): Reduction of existing atmospheric CO₂ through capture and storage in plants and soils.

Carbon Sequestration (CS): Is the storage of carbon dioxide (usually captured from the atmosphere) through biological, chemical or physical processes, for the mitigation of global warming. Most projects can be regarded as geo-engineering. It has been proposed as a way to mitigate the accumulation of greenhouse gases in the atmosphere released by the burning of fossil fuels.

Carbon Offset Provider (COP): Carbon offset companies offer organizations and individuals the opportunity to reduce their impact on global warming by purchasing carbon offsets. Individuals calculate the amount of carbon they are personally responsible for and then purchase an offset for that amount. The funds the offset company receives are then used to implement and manage projects that avoid, reduce or absorb greenhouse gases through renewable energy, energy efficiency, or forest and other bio-sequestration projects. Examples of COPS are: atmosfair, The Carbon Neutral Company, myclimate, Climate friendly, TerraPass, etc.

Carbon Dioxide (CO₂): This greenhouse gas is the largest contributor to man-made climate change. Emitted from fossil fuel burning and deforestation.

Carbon Offset: A credit for negating or diminishing the impact of emitting a tonne of carbon dioxide by paying someone else to absorb or avoid the release of a tonne of CO₂ elsewhere.

Certified Emissions Reductions (CERs): Tradable units as issued by the UN through the Clean Development Mechanism for emission reduction projects in developing countries. Each CER represents one metric tonne of carbon emissions reduction. CERs are categorized by the year, or vintage, in which they are generated. They can be purchased before the actual reduction occurs. Under the Kyoto Protocol, CERs can be used by developed countries to meet their emissions goals.

Clean Development Mechanism (CDM): allows developed countries to gain emissions credits for financing projects based in developing countries. CDM projects produce Certified Emission Reductions (CERs). CDM is part of the Kyoto Protocol.

Emission Reduction Units (ERUs): A tradable unit, equivalent to one metric tonne of CO₂ emissions, generated by a Joint Implementation project and used to quantify emissions reductions for the purpose of buying and selling credits between developed countries under the Kyoto Protocol.

Greenhouse Gases (GHGs): Gases that contribute to climate change. Those named in the Kyoto Protocol include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆)

Joint Implementation (JI): A provision of the Kyoto Protocol that allows developed countries to undertake projects in other developed or transitional countries (as opposed to those undertaken in developing countries through the CDM). JI projects produce Emission Reduction Units (ERUs). JI projects are part of the Kyoto Protocol.

Kyoto Protocol: An international treaty that requires participating countries to reduce their emissions by 5 percent below 1990 levels by 2012. The protocol, developed in 1997, is administered by the Secretariat of the UN Framework Convention on Climate Change. <http://unfccc.int>.

United Nations Framework Convention on Climate Change (UNFCCC): An international treaty, developed at the 1992 UN Conference on Environment and Development, which aims to combat climate change by reducing global greenhouse gas emissions. The original treaty was considered legally non-binding, but made provisions for future protocols, such as the Kyoto Protocol, to set mandatory emissions limits. <http://unfccc.int/2860.php>.

Verified Emissions Reductions (VERs): Voluntary markets for emissions reductions that are not compliant with the Kyoto protocol are developing rapidly. Emission offsets in this latter category are verified by independent agents, but are not certified by a regulatory authority for use as a compliance instrument, and are commonly referred to as Verified Emission Reductions (VERs). VERs are not a standardized commodity.

Voluntary Market: The non-regulated market for carbon credits (especially VERs) that operates independently from Kyoto. Also called the Non-Regulated Market.

Abbreviations:

BRT	Bus Rapid Transit
CER	Certified Emission Reduction
CDM	Clean Development Mechanism
CoCT	City of Cape Town
COWG	Carbon Offset Working Group
COP	Carbon Offset Provider
DEAT	Department of Environmental Affairs and Tourism
DOE	Designated Operational Entity
EE	Energy Efficiency
EIA	Environmental Impact Assessment
FIFA	Fédération Internationale de Football Association
GHG	Green House Gas
GWh	GigaWatt hours
kWh	kiloWatt hours
KAS	Konrad Adenauer Stiftung
LOC	Local Organising Committee
PGWC	Provincial Government of the Western Cape
SAFA	South African Football Association
SADC	Southern African Development Community
tCO ₂ e	Tonnes carbon dioxide equivalent
TDM	Transport Demand Model (TDM)
TOR	Terms of Reference
UNFCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
VERs	Verified Emissions Reductions
VCUs	Voluntary Carbon Units

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Our apologies if we have left anyone out.

EXECUTIVE SUMMARY

This report presents a summary of the “Green Goal 2010 Carbon Offsetting in Host City Cape Town” Workshop, held in March 2009. The main objectives of the workshop were to identify and agree on a short-list of carbon offsetting projects for implementation and to formulate an initial action plan towards a low carbon event in Host City Cape Town.

In the light of an absence of leadership from national bodies, it was agreed that cities should develop carbon-offsetting projects as it was felt that this is a core part of being a responsible host.

The estimated carbon footprint of the FIFA 2010 World Cup™ is more than 896,000 tonnes of carbon dioxide equivalent (tCO₂e), with an additional 1,856,000 tCO₂e contributed by international travel. The former value is more than eight times the estimated footprint of the FIFA 2006 World Cup™ in Germany, stated as being 100 000 tonnes in the Green Goal Legacy Report, published by the Organising Committee.

For Host City Cape Town the total carbon footprint is calculated at just over 180,000 (tCO₂e) with inter-city transport and accommodation being the largest contributors to the event footprint.

Based on the inputs from the specialists invited to the workshop and the discussions and proposals from the workshop participants, the following are recommended actions to implement a carbon offset programme for host city Cape Town:

Clarify key aspects of approach to carbon offset for host city

In this step the following issues will need to be decided upon:

- Is the CoCT aiming for carbon neutrality? Or is there some other target to aim for (e.g. offset all internal city emissions excluding accommodation and inter-city transport - as proposed in the draft national Green Goal Standards)?
- The CoCT should draw up a short-list of which projects are priorities for carbon offsetting. This will be based on:
 - The study currently underway within the city
 - The list of carbon offset projects from the workshop, the main ones being: Province 1000 Solar Water Heaters, Energy Efficiency Retrofitting of CoCT Council Buildings, Energy Efficiency in Provincial Government Buildings and Bus Rapid Transport System (BRT)
- The potential sources of funding for projects should be identified (since carbon revenue generally only funds a small part of the overall project costs).

Appoint a Carbon Project Manager and Offset Provider

According to Econ Pöyry AB, the most effective institutional model for the carbon offsets programme is the “outsourcing with oversight” model. The basic premise is that the key policy makers and decision makers that are leading the Greening 2010 effort in Host City Cape Town should provide the guidance on the projects selected for the Carbon Offset

Programme, but the implementation of the programme, including project evaluation, verification and monitoring, should be outsourced either to a specialised Carbon Offset Provider (COP) or a local consultant using a reputable international standard. The COP or the local consultant will utilise an internationally recognised standard, such as the Voluntary Carbon Standard (VCS) or Gold Standard VER. The Carbon Offsets Programme should target a relatively small number of high profile projects in South or Southern Africa that can be implemented quickly and achieve the required emissions reductions over 10-20 years. Having at least some projects underway by 2010 is essential to have the desired impact on public awareness and action to mitigate climate change.

Identify a longer-term institutional home for offset programmes

A long-term institutional home that provides for transparency, appropriate oversight flexibility and quick response is necessary if Host City Cape Town intends to go for full carbon neutrality. To be effective, this institutional home should have in-house expertise in the carbon project development and management - not because they will manage the actual offsets projects, but so that they can oversee the contracts with the Carbon Offset Providers and ensure the long-term sustainability of the programme. The creation of such an institutional home would go a long way towards ensuring a 2010 carbon-offsetting legacy that would serve as a model for future major sporting events.

However, if Host City Cape Town is looking at only 1-2 small carbon offsetting projects, and does not intend to go for full carbon neutrality, then a special purpose vehicle will not be necessary as the CoCT could appoint internal people to do the job. In this instance even the Carbon Offset Project Manager might be someone from inside the CoCT, or it might be outsourced to a local consultant.

1. INTRODUCTION

1.1 Green Goal 2010: From Planning to Implementation

The 2010 FIFA World Cup™ to be hosted by South Africa is a major international event, the likes of which the African continent has never experienced before. South Africa aims to be a world-class host for the 2010 FIFA World Cup™ and this means a world-class greening effort.

In October 2006, the City of Cape Town produced a business plan defining a list of projects and outcomes that would be undertaken as part of the City of Cape Town's greening of the 2010 World Cup. The business plan was comprehensive and ambitious and needed to be fine tuned into an action plan that would extend to 2010 and beyond. Between August 2007 and March 2008, the City of Cape Town (CoCT), the Provincial Government of the Western Cape (PGWC), and Sustainable Energy Africa (SEA), together with project partners and funders, the Konrad-Adenauer-Stiftung (KAS), organized a series of five workshops and two discussion forums that enabled the compilation of a 2010 FIFA World Cup™ Host City Cape Town Green Goal Action Plan, launched by the Mayor of Cape Town and the Premier of the Western Cape in October 2008.

As the Host City Cape Town Green Goal programme moves from planning to implementation, opportunities were identified for the ongoing involvement of KAS as a key 2010 Host City Cape Town Green Goal Contributor. The result was that a second series of three Green Goal 2010 workshops were designed to take place during 2009. The aim of these workshops is to keep Green Goal stakeholder groups informed of progress with respect to project implementation and further strengthen the relationship between the CoCT and PGWC, and external stakeholders and partners.

This report presents a summary of the Green Goal 2010 Workshop on Carbon Offsetting in Host City Cape Town held in March 2009.

2. THE CARBON OFFSETTING WORKSHOP

2.1 Workshop Objectives

The Green Goal 2010 Workshop on Carbon Offsetting had the following objectives:

- 2.1.1 To share information with participants about carbon offsetting, standards, advantages/disadvantages and the pros and cons of different offsetting mechanisms;
- 2.1.2 To clarify responsibilities of different role-players regarding carbon offsetting (national, host cities);
- 2.1.3 To reflect on the estimated carbon footprint of the FIFA 2010 World Cup™ in Host City Cape Town;

- 2.1.4 To review the criteria by which participants could select carbon offsetting projects;
- 2.1.5 To inform participants about existing carbon offset projects/plans;
- 2.1.6 To review any ideas for carbon offsetting projects that participants may have;
- 2.1.7 To identify and agree on a short-list of carbon offsetting projects for implementation;
- 2.1.8 To clarify what type of institutional arrangement will be required to make the World Cup in Cape Town a “low carbon” event.
- 2.1.9 To formulate an initial action plan towards a low carbon event in Cape Town/WC;

Whilst all the objectives were important, it was felt that 2.1.7, 2.1.8 and 2.1.9 were the most important objectives for this workshop.

3. WORKSHOP PRESENTATIONS: CONTEXT FOR CARBON OFFSETTING

3.1 Overview Presentation

The facilitator presented an overview of Green Goal 2006 (Germany) and 2010 with particular emphasis on carbon offsetting.

Relevant points:

- 3.1.1 There are as yet no detailed carbon reduction and offset plans in national LOC, DEAT, or CoCT 2010 documentation.
- 3.1.2 The document, “Green Goal 2010: Guidelines, Standards and Business Plan for Greening 2010 FIFA World Cup™”, commissioned by the LOC in July 2008, and written by Sustainable Energy Africa and Steadfast Greening, states that: “Host Cities identify and implement at least one of the following two options:
 - Implement offset projects to achieve a 5% footprint offset. This can be done using the Gold Standard “micro-scale” process.
 - Implement a carbon footprint reduction project (as opposed to offset) by investing in measures, which reduce emissions from stadium and precinct energy use, local travel use, etc. At least 5% of carbon footprint is to be reduced by this means.

The document further states that the above carbon reduction or offset projects should have clear social benefits.

- 3.1.3 The Green Goal 2010 Standards document proposes that the carbon reduction or offset for which cities are responsible is calculated on emissions from running all Host City World Cup venues and associated transport emissions, and not from transport emissions external to the city (it was assumed that a national offset programme would cover this and

international flights) or from accommodation sector energy use. The reduction is in addition to the energy reduction target of at least 15% reduction of energy used at World Cup venues around the country. The document also suggests that the LOC establish a voluntary levy to raise funds for offset projects (e.g. on international or local flights). It is not yet clear whether the LOC and DEAT have accepted the above targets and recommendations.

3.1.4 The “2010 FIFA World Cup™ Host City Cape Town Green Goal Action Plan”, published in October 2008, states that the city should support the move towards a carbon neutral event by identifying, scoping and undertaking local carbon offset project(s) which achieve important economic and social benefits for Cape Town and the Western Cape in addition to offsetting carbon.

3.1.5 German Green Goal 2006:

- Germany set a target of carbon neutrality for the event (excluding international travel).
- Carbon offset was coordinated nationally, not locally led.
- Only Gold Standard projects were selected (i.e. included EIAs and stringent social criteria).
- Transport was the biggest carbon source (over 75%), accommodation being second (14%).
- Offsetting the full 100 000 tons of carbon dioxide cost €1.2 million for project development and implementation. FIFA contributed €400,000 and the German Football Association €500,00. The Indian project, “Family Clean Energy Packages”, was financed with €500,000 from the German Football Association. The two South African projects (a fuel-switching project in the Limpopo Province, and a biogas project in the Johannesburg) were financed by FIFA (€400,000), the official Green Goal partner Deutsche Telekom (€200,000) and the Green Goal supporter Plastics Europe (€100,000).
- A proportion of the above-mentioned funds was required to finance necessary capital investment before the projects actually began. Since the projects stretch over several years, not all funds were transferred in advance to those responsible for the projects in India and South Africa. Further payments will be made once proof is provided that the intended reduction in greenhouse gases has actually taken place. For this purpose a monitoring plan was agreed to be independently verified on an annual basis. Management of the funds has been entrusted to 3C Climate Change Consulting GmbH, a Frankfurt based Company that drew up the contracts with the responsible parties in India and South Africa and will undertake the transfer of money during the entire life of the projects.

3.1.6 Green Goal 2010 in South Africa:

- Including international travel in the carbon footprint of South Africa will hugely increase the carbon footprint of 2010 (compared to Germany 2006) and will complicate implementation substantially, requiring co-operation from FIFA, South African Football Association (SAFA), Local

Organising Committee (LOC), Department of Environmental Affairs and Tourism (DEAT), participating countries, and the public in general.

3.2 The Mechanisms Available for Carbon Offsetting

Steve Thorne of the NGO SouthSouthNorth discussed the different carbon mechanisms available for carbon offsetting, summarised in Table 1.

- 3.2.1 There are 2 carbon markets in existence - Compliance Market (linked to Kyoto and 2012 targets) and the Voluntary Market. The Voluntary Market is not as well respected internationally.
- 3.2.2 The Voluntary Market is much simpler from an administration point of view, but there are no uniform international standards for trading.
- 3.2.3 The Compliance Market is more rigorous, but is administratively complicated and slow, and requires additionality - i.e. projects are unlikely to have been implemented without carbon revenue. Compliance focuses on demand side management and renewable energy.
- 3.2.4 Voluntary offset companies can operate either within or outside of the Kyoto framework. The advantage of working within Kyoto is that certified emissions reductions (CERs) are verified under a unified regulatory framework. All CERs have to be verified by a Designated Operational Entity (DOE). DOEs are liable for any emissions credits wrongly certified. If they overstate the savings, they are responsible for delivering the missing emissions credits. Projects that do not fall under the Kyoto mechanisms are more difficult to verify, since there are no clear guidelines and third party certification is done at the discretion of the offset company. That means that the quality of Verified Emissions Reductions (VERs) can vary greatly. This makes it harder for the consumer to be sure that their emissions are truly offset by the VERs they buy.
- 3.2.5 Sometimes projects in developing countries are not registered as CDM projects because they are too small. The Myclimate organisation estimates that a carbon-offset project must reduce at least 5,000 metric tons of CO₂ per year in order justify the CDM transaction costs. Such smaller projects can still adhere to high standards, for example they can be implemented using the Gold Standard's new standards for VER generating projects – projects that are outside of the Kyoto Protocol.

Table 1: International Carbon Trading and Project Mechanisms

Mechanism	Unit	Type	Regulatory Framework
IET - International Emissions Trading	AAUs - Assigned Amount Units (Allowances (1))	Quota	Kyoto
JI - Joint Implementation	ERUs- Emission Reduction Units	Credit(2)	Kyoto
CDM - Clean Development Mechanism	CERs - Certified Emissions Reductions	Credit	Kyoto
Voluntary Carbon Trading	VERs- Verified Emissions Reductions	Credit	No unified regulatory framework

- 3.2.6 To address concerns of additionality, monitoring and verification companies often involve a third party and use internationally recognized standards. Standards are set criteria by which projects are chosen and evaluated. Such standards may include criteria for: type of project, impact on local communities and additionality. These standards allow for better project comparison and evaluation.
- 3.2.7 Standards alone cannot ensure the quality of a project. It is only through the validation and verification of these standards that projects can reliably be evaluated. Verification consists of the periodic monitoring and review of ongoing projects in addition to an evaluation after the project period has ended. The monitoring ensures that the project is meeting goals and operating properly. For example, if a project involves installing stoves, monitoring allows for assurance that the stoves are working and are being used.
- 3.2.8 End-of-project verification ensures that the carbon emissions have been reduced by the amount intended. It is particularly important to have a third party involved at this point as there is an obvious incentive for project financiers and offset buyers to see that projects have met their goals. Independent verification is crucial for the credibility of emission reduction projects.
- 3.2.9 Gold Standard Compliance projects are often difficult to make viable, and generally require additional funding (often significant). It is important to ensure that this funding is available from early in the process.

- Gold Standard Voluntary Market exists, which has more consistent standards for projects, and is better regarded than normal voluntary market trading.
- Gold standard excludes biomass and tree planting, sequestration, and nuclear projects, amongst others.

3.2.7.1 Paying for carbon credits before they have been generated (as with Kuyasa) is not considered sound practice. This needs to be considered in project cash flow planning.

3.3 Frequently Used Standards and Verification procedures:

Steve Thorne then described the most frequently used standards and verification procedures, summarised in Table 2:

3.3.1 Clean Development Mechanism (CDM): The CDM is part of the United Nations Framework Convention on Climate Change (UNFCCC). As the largest regulatory project-based mechanism, the CDM offers the public or private sector in developed nations the opportunity to purchase carbon credits from offset projects in developing nations. CDM is involved in setting standards and verifying projects. Certified Emissions Reductions (CERs) are verified and certified by authorized third parties (Designated Operational Entities.) CDM standards are stringent and robust yet have high transaction costs so that usually only large projects are registered. CDM requires strict additionality for certification of carbon-offset projects. It has been operational since 2006.

Official CDM website: <http://cdm.unfccc.int>

Used by: atmosfair, myclimate, and The CarbonNeutral Company

3.3.2 Gold Standard and Voluntary Gold Standard (VGS): A network of non-government organizations, which sets higher standards than the CDM, developed the Gold Standard. It is endorsed by 42 NGOs worldwide. Gold Standard projects include renewable energy or energy efficiency technologies. (No sequestration projects are accepted). The Gold Standard requires strict additionality for certification of the carbon-offset projects. For a project to be selected, these standards must be met and are checked by a UNFCCC-accredited organization. Monitoring and verification is also done by these organizations to ensure the benefits are realized.

Gold Standard projects take into account differing environmental, social and economical factors to maximize the secondary benefits and to minimize the negative impacts of a project. It actively encourages local participation in project design, and seeks to maximize sustainable development benefits.

Gold Standard projects are usually CDM projects. Because of the high transaction costs of CDM/Gold Standard the projects are usually

large scale. The Gold Standard is the most rigorous standard available to date.

www.cdmgoldstandard.org.

Used for all their projects by: atmosfair, myclimate, Climate friendly

- Voluntary Gold Standard

For smaller projects that are not CDM registered a Voluntary Gold Standard (VGS) was released in spring of 2006. The aim was to simplify procedures and to reduce transaction costs for small-scale projects while still maintaining high quality standards. VGS can only be used in developing countries.

3.3.3 Voluntary Carbon Standard (VCS): The Climate Group (TCG), the International Emissions Trading Association (IETA) and the World Economic Forum Global Greenhouse Register (WEF) jointly develop the Voluntary Carbon Standard (VCS). Version 1 of the Standard was published in 2006. The goal of the VCS is to provide “a certification tool that is designed to give users confidence that voluntary project-based Green House Gas (GHG) emission reductions are real, measurable, permanent, additional and independently verified.” Carbon offsets that are certified and verified through the VCS are called Voluntary Carbon Units (VCUs). VCUs are tradable and registered: VCS established an international registry for its VCUs, which is sited at the Bank of New York.

The Voluntary Carbon Standard Version 2 is currently being developed. A draft of the VCS version 2 can be downloaded at http://theclimategroup.org/assets/Voluntary_Carbon_Standard_Version_2_final.pdf.

Used by: The CarbonNeutral Company

3.3.4 Voluntary Offset Standard (VOS): Launched on the 28th June 2007 is the latest voluntary standard to be released. It is based on the existing standards promoted by the UNFCCC. It brings the voluntary market up to the level of the regulated and standardized procedures of the (Kyoto) compliance market. VOS endorses the existing gold standard methodology. It meets and at some points exceeds CDM and JI (Joint Implementation) standard.

3.3.5 Climate Community and Biodiversity Standards (CCB): The Climate Community and Biodiversity Alliance have developed this standard. It is for land based projects that can simultaneously deliver compelling climate biodiversity and community benefits. It uses methodologies of the Intergovernmental Panel on Climate Change Good Practice Guidance (IPCC GPG) but can also use approved CDM methodologies for calculating carbon reductions/savings.

3.3.6 VER Plus (VER+): A full-fledged carbon offset standard that closely follows the Kyoto Protocol’s project-based mechanisms (CDM and JI).

It does not focus on co benefits. TÜV SÜD, a Designated Operational Entity (DOE) for the validation and verification of CDM projects, developed the VER+ standard. It was designed for project developers who have projects that cannot be implemented under CDM, yet who want to use very similar procedures as the CDM. The VER Plus was launched in mid 2007.

3.3.7 Chicago Climate Exchange CCX: The Chicago Climate Exchange is a voluntary cap-and-trade emission trading system. CCX operates mainly in the US but also has members and affiliates in Canada and Mexico. Members commit to reduce their emissions by a certain amount each year, measured against their original baseline.

www.chicagoclimatex.com.

Used by: Carbonfund, Cleanairpass, TerraPass

3.3.8 Plan Vivo: Plan Vivo (PV) is an Offset Project Method for small-scale projects with a focus on promoting sustainable development and improving rural livelihoods and ecosystems. PV works very closely with rural communities, emphasizes participatory design, ongoing stakeholder consultation, and the use of indigenous species. The PV System was initiated in 1994 for a research project in southern Mexico. The system was developed by the Edinburgh Centre for Carbon Management (ECCM, <http://www.eccm.uk.com/>), a consulting company that focuses on climate change mitigation strategies and policies, in partnership with El Colegio de la Frontera Sur (ECOSUR), the University of Edinburgh and other local organisations with funding from the UK Department for International Development (DFID). www.planvivo.org

Table 2: A Summary of the Carbon Standard Options

Standard	Market share	<u>Additionality</u>	Co-benefits	Price (Euro early 2008)
CDM	large	=	=	14 - 30
Gold Standard	small but growing	+	+	<u>VERs</u> 10-20 <u>CERs</u> up to 10 premium
VCS	new likely to be large	=	-	5-15
VER+	small but growing	=	-	5-15
CCX	large in the US	-	-	1-2
VOS	N/A	=	=	N/A
CCB	large in LULUCF	=	+	5-10
Plan Vivo	very small	=	+	2.5-9.5

Ref: SEI, TriCorona March 2008

+ Requirements go beyond and are more stringent than CDM rules

- Requirements are less stringent than CDM

= Requirements are the same or very similar to CDM

N/A Not Applicable

3.4 Quality Criteria

Steve Thorne emphasised that it was important that any carbon-offsetting project for 2010 adhere to the following criteria:

- Emissions reductions must be credible
- Emissions reductions must be real and measurable
- Emissions reductions must be monitorable and verifiable
- Emissions reductions should be additional

3.5 Types of Offsetting Projects

There were two main types of carbon offsetting projects that could be implemented for 2010:

- Beginning of pipe (energy efficiency, renewables etc.)
- End of pipe (carbon capture and sequestration, carbon sinks (biomass) etc.)

3.6 Project Options

Steve Thorne described several carbon offsetting project options:

- All offsets in one programme (e.g. energy improvements in low income housing, decentralised energy for rural livelihoods, etc.)
- All offsets in one technology (e.g. large wind farm, efficient lighting, etc.)
- A mix of energy projects
- A mix of energy and 'sinks' projects

4. CARBON OFFSETTING FOR 2010

4.1 The Feasibility Study to Estimate the Carbon Footprint of the 2010 FIFA World Cup™

Randall Spalding-Fecher of Econ Pöyry AB presented the findings of the feasibility study commissioned by Norad to estimate the carbon footprint of the FIFA 2010 World Cup™. He also reviewed what type of institutional regime for carbon offsets is required to make the World Cup a "carbon neutral" event.

The findings of the study were to be released shortly and this presentation was a preview.

4.1.1 The Carbon Footprint of the 2010 FIFA World Cup™ in South Africa and Cape Town

The FIFA 2010 World Cup™ will have the largest carbon footprint of any major international event with a goal to be “climate neutral”. The estimated carbon footprint of the FIFA 2010 World Cup is more than 896,000 tonnes of carbon dioxide equivalent (tCO₂e), with an additional 1,856,000 tCO₂e contributed by international travel.

The former value is more than eight times the estimated footprint of the FIFA 2006 World Cup™ in Germany. This can be explained in part by the geography and infrastructure of South Africa, as most international visitors will take multiple inter-city flights, rather than journeys by high-speed rail as was the case in Germany.

To calculate emissions related to international air travel, the origin (continent) of the spectators has been defined according to FIFA ticket sales. The number of spectators from each continent was multiplied with an average distance per continent and an overall average emission factor for long haul flight distances. Additionally, Econ Pöyry AB assumed that international visitors would have on average one additional short haul connecting flight within their continent of departure.

The basic approach for estimating the carbon footprint of inter-city transport is to apply travel distances between the cities to the number of travellers. The resulting volumes of passenger-km are multiplied by the emissions factor of the relevant transport mode. The Transport Demand Model (TDM) presents inter-city travel numbers by air, luxury rail, rail, luxury coaches, road coaches and independent road. The total number of inter-city trips in the TDM during the 2010 World Cup™ for all participants is 3 million, while total passenger-km is 2.1 billion.

Table 3 presents the summary of the carbon footprint for the 2010 World Cup™, with and without emissions from international transport. Because international travel is more than 60% of the total emissions, the decision about whether to include this in the amount of emissions to be offset is critical (these emissions were not included in the Green Goal 2006 carbon footprint).

Table 3: FIFA 2010 World Cup™ Footprint

South Africa 2010 World Cup carbon footprint

	tCO ₂	%
International Transport	1,856,589	67.4
Inter-city Transport	484,961	17.6
Intra-city Transport	39,577	1.4
Stadia constructions and materials	15,359	0.6
Stadia and precinct energy use	16,637	0.6
Energy Use in accommodation	340,128	12.4
Total Excluding International Transport	896,661	
Total Including International Transport	2,753,250	100

Reference: Econ Pöyry AB “Feasibility Study on Carbon Neutral 2010 World Cup™ in South Africa”, Commissioned by NORAD, November 2008

Table 4: Host City Cape Town 2010 World Cup™ Footprint

For Cape Town, inter-city transport and accommodation are the largest contributors to the event footprint:

Cape Town 2010 World Cup carbon footprint

	tCO ₂	%	National Total
Inter-city Transport	103,014	57%	484,961
Intra-city Transport	5,841	3%	39,577
Stadia constructions and materials	5,167	3%	15,359
Stadia and precinct energy use	3,092	2%	16,637
Energy Use in accommodation	63,730	35%	340,128
Total Excluding International Transport	180,844	100%	

Reference: Econ Pöyry AB

According to the Initial Transport Operational Plan for the 2010 FIFA World Cup™ (Department of Transport 2007), 700,000 international spectators are expected to come to South Africa during the World Cup. 400,000 visitors will arrive and depart by international air flights. The remaining 300,000 are non-ticket holders from African countries travelling by land.

Randall Spalding-Fecher stated that the Cape Town Footprint is based on the following arrival figures:

Table 5: Arrivals in Cape Town during 2010 World Cup™

<u>Arrivals in Cape Town during 2010 World Cup</u>	
Mode of travel	Arrivals
Air	180,345
Rail	5,013
Luxury rail	6,676
Road Coach	62,967
Luxury Coach	6,676
Road Independent	49,987
Total	311,664

Reference: Econ Pöyry AB “Feasibility Study on Carbon Neutral 2010 World Cup™ in South Africa”, Commissioned by NORAD, November 2008

4.1.2 Why is the SA 2010 Footprint Much Larger than Germany 2006?

Randall Spalding-Fecher mentioned the following reasons for the difference in footprint size:

- International travel was not included in the Germany 2006 footprint. South Africa is a long-haul destination for most tourists. The large share for international transport is expected, given South Africa’s distance from most world centres, and the fact that almost all international visitors must fly to South Africa.
- Inter-city transport: South African geography and infrastructure means multiple in-country trips, and many more flights during the tournament. For inter-city transport, which is the largest component after international transport, distances between matches in South Africa are much greater than in Germany, and the lack of high speed rail links means the most visitors will fly multiple times between matches, leading to much higher transport emissions. Given the long distance from home, visitors are more likely to stay longer and travel more.
- Intra-city transport: Passenger car use will be higher. Although major efforts are being made to upgrade public transport options, the reality is that much of this travel will still be in passenger cars or small buses, rather than light rail as used in Germany.
- Accommodation: For energy use in accommodation, estimated energy consumption per night for South Africa (30kWh/person-night) is much higher than what was used in Green Goal 2006 (7.6 kWh/person-night) which may reflect climate and building energy efficiency (although the Öko-Institut has indicated that recent studies show Germany in the 30-40kWh range and that the initial Green Goal estimates were unrealistic).

- Longer overnight stays: 11.6 million projected-nights for 3 million arrivals in cities is estimated. The average number of days stay per person is also much higher because most visitors are coming from countries far away. Overnight accommodation for the 2010 World Cup, is almost 12 million nights, while for 2006 the estimate was around 2 million. The 2006 estimates were simply one night per ticket, whereas the TDM considers the full stay in the country.
- Stadium energy use and materials - these are estimated to be similar to the 2006 event.

South Africa is also a more Green House Gas (GHG) intensive economy than many European countries, which also influences the footprint.

4.1.3 Options for Institutional Arrangements: “Outsource with Oversight”

Randall stressed the point that while national government should play a strong oversight role in the carbon offset programme, the implementation of the programme should be outsourced to a Carbon Offset Provider (COP) using a reputable voluntary carbon market standard (GS, CDM, VCS). See Table 6 below. The maturity of the voluntary carbon market, and the large number of experienced international companies in this field, provide an opportunity to keep the administration costs and overheads low and international credibility high by outsourcing most of the implementation of the programme to a Carbon Offset Provider.

Stakeholders (host city, province, national government) would still prepare the TOR for this provider, and provide guidance on the project types, desirable development impacts, and geographic location to ensure the national sustainable development priorities are met. The Carbon Offset Provider should have international standing, a proven track record, and be recognised by industry experts as providing offsets with high environmental integrity and development benefits. In addition, using a well-established and recognised international standard, such as the Clean Development Mechanism (CDM), Gold Standard (GS), or Voluntary Carbon Standard (VCS), will provide credibility and integrity for the programme, as well as keeping overhead costs lower than creating a “home grown” standard.

Table 6: Institutional Arrangements for Carbon Offsetting for 2010 World Cup™

Overarching options for institutional arrangements	
"Home grown"	Very high time and resource requirements on SA government, high transaction costs, and process may not be recognised internationally; may not be ready in time?
"Complete outsource"	Lowest transaction costs, good international credibility as long as <u>Carbon Offset Provider</u> chosen well; may not be able to tie specific projects in SA to offsets; fastest route
"Outsource with stakeholder oversight"	Potentially best of both worlds – limited transaction costs, international credibility, offset provider will ensure good implementation while stakeholders provide guidance on projects that will leave a legacy

Reference: Econ Pöyry AB “Feasibility Study on Carbon Neutral 2010 World Cup™ in South Africa”, Commissioned by NORAD, November 2008

4.1.4 Key Issues for Cape Town:

Randall Spalding-Fecher felt that the following were key issues that Host City Cape Town needed to resolve to move ahead with a carbon offset programme:

- Decide on offset project characteristics
- Selection of offset projects and COP
- Clarify potential funding sources for overheads
- Clarify funding sources for offsets
- Managing the funding - clarify institutional arrangements
- Timing of project implementation and emissions reduction
- Choose a carbon offset standard and third party verification
- Clarify monitoring the footprint ex-post
- Marketing of the programme

4.1.5 Offset Project Characteristics:

Offset projects should:

- Reduce greenhouse gas emissions in comparison to “business as usual” (additionality)
- Be outside the project boundary of the carbon footprint. The priority will be to invest in projects within South Africa, and possibly projects within the SADC region. Given that eight of the nine provinces include Host Cities for the World Cup, and so will benefit most directly from the influx of visitors, investing in projects in the Northern Cape, which does not have a Host City, may also be a priority.
- Not divert other overseas development aid funding and projects

- Consider project scale - important for transaction costs. There is merit in doing a few large, development oriented projects (e.g. energy efficient low cost housing)
- Consider the relative constraints of different standards (e.g. Gold Standard only RE and EE)
- Consider geographic location - All provinces? SA only? Expand to SADC? Given the large size of the carbon footprint and the imperative for an African legacy from the event, it may make sense to invest in projects in more than one country.

Stakeholders (LOC's Carbon Offset Working Group - COGW) should be specified in TOR for COP and set priorities in terms of the above items.

4.1.6 Selection of Offset Projects and Carbon Offset Provider (COP):

- Outsource all the evaluation to the COP, but with firm stakeholder oversight
- Set criteria and process for project identification and implementation
- Approve individual projects as well (not necessarily part of major project/s selected), on basis of COP recommendations
- There are many reputable COPS - look for credibility, experience, and transparency. Some examples:



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4.1.7 Funding Sources for Overheads:

- It is unclear whether bi-lateral donors will fund offset project overheads.
- Projects may initially need South African government funding.
- For 2006 Green Goal, Öko Institute spent 5-6 person-months working on it, which covered Green Goal carbon analysis work, but not managing the offsetting process.

4.1.8 Funding for Offsets:

- Current VER price is about \$6 per ton (not specific to project type or region). Africa could be higher than this.
- The market price for carbon is not the same as the marginal cost per ton, but offset providers tend to use a portfolio of projects. To get the best offer it is necessary to have an open tender process with clear specifications.
- Total national carbon offset cost is around \$5-9m excluding international travel (896,675 tons x ~\$6/ton = \$5.3m)

Cape Town carbon offset would be about \$1-2m (180,844 tons x ~\$6/ton = \$1.085m)

- 2006 carbon offset was funded by FIFA, the German Football Association and corporate donors
- Need a commitment upfront to fund these offsets - don't rely on voluntary contributions during the event.
- A smaller number of larger funders is preferable because this means less overheads and administration.
- Be aware of reporting and auditing requirements of different funders - this also influences the choice of institutional home and COP used.

4.1.9 Managing the Funding:

- Appropriate systems to manage and report on the uses of funding are critical.
- The COP may provide this service as part of their overall offering, or this could be included in the Terms of Reference. Alternative is for the institutional home for the offsets programme to handle the reporting and management of the funds, or an external financial institution under contract to this entity. Depend on where the Carbon Offsets Programme was housed and the legal requirements for managing the funding.
- The portion of the funding related to offset would be paid in instalments to the project developers as the carbon offsets are realised through the implementation and ongoing operation of the offsets projects. In other words, while the entire funding for the offsets needs to be secured in order to enter into a contract with the COP (and for them to enter into contracts with individual project owners), the payments for the offsets should be based on actual project performance.

4.1.10 Timing of Projects and Emissions Reductions:

- For projects to influence awareness and behaviour, they must be implemented (or at least partially implemented) by 2010.
- It's best to offset when emissions occur, or as soon as possible thereafter.
- Projects generally need a 10-20 year crediting period to generate significant offset revenue to make them more financially feasible.

4.1.11 Choosing a Standard and Third Party Verification:

- The voluntary market is maturing, with small number of widely used standards: Gold Standard, VCS, VER+, VOS
- The Gold Standard (GS) has reputation for highest sustainable development focus, but transaction costs likely to be much higher than other standards - still, many retail offset providers use GS
- No registry in SA is necessary - all standards include this
- Standards also specify third party verification
 - Many rely on DOEs (CDM) and AIEs (JI)
 - VCS allows ISO14065 auditors as well
 - GS has simplified internal process for "micro-scale" projects (<5ktCO₂/yr)

4.1.12 Monitoring Footprint *Ex-Post*:

- Even with refinements in the carbon assessment, the footprint will be uncertain
- Need to put in place monitoring system now to measure the actual footprint
- Need planning with special channels to keep track of booking accommodation, flights, buses, etc
- Need cooperation from other stakeholders
- May also need surveys of visitors
- Monitoring plan is important next step for this process

4.1.13 Marketing the Carbon Offset Programme:

- Carbon offset provider will help with marketing the programme internationally
- Local impact of programme on climate change and environmental awareness of South Africans is critical
- Will 2010 Communication & Outreach Working Group handle this or will Cape Town 2010 Communications?
- Marketing needs projects underway in 2010 that are visible as case studies
- What can FIFA/LOC contribute? How is this integrated with overall communications strategy?

5. CRITERIA FOR SELECTION OF CARBON OFFSETTING PROJECTS IN HOST CITY CAPE TOWN

Mark Borchers of Sustainable Energy Africa (SEA) tabled a list of criteria that could be used to select carbon-offsetting projects:

Table 6: Criteria for Selection of Carbon Offsetting Projects for Host City Cape Town during 2010 World Cup™

Historic	Financial	Technical	Institutional, Policy	Awareness/Timing
Track record and past success	Low capital cost	Big Carbon Impact	Poverty reduction/social benefits, employment potential	High visibility/ awareness
Regulatory barriers	Potential to attract private or public investment	Ease of implementation	Support of LED/IDP initiatives	Operational (at least in part) by 2010
Availability of CDM methodology	Long-term price stability	Potential to scale up and duplicate	Impact on air, water quality	
Likely EIA success	CER generation and finance potential	Maturity of the technology	Impact on solid waste generation	
Security of tenure		Supply constraints if any	Local ownership/BEE possibility	
		Ease of Monitoring	Capacity and training opportunities	
		Safety of operation	Consistent with international standards	

6. SCOPING OF POTENTIAL CARBON OFFSETTING PROJECTS IN HOST CITY CAPE TOWN

Sarah Ward, City of Cape Town (CoCT) and Shehnaaz Moosa presented a list of potential projects, which could be used to offset carbon via the voluntary market. The projects below arise out of a preliminary carbon offsetting study conducted by CoCT:

6.1 Project List

Housing

- Kuyasa

Energy efficiency (EE) in low cost housing
Implementation phase.

Currently there are 2 300 units.

10 000 tonnes per annum of carbon saved

Funded by CoCT and DEAT.

Institutional arrangement: DEAT, CoCT (Housing and ERM) and Private.

Easily reproduced.

High priority for CoCT.

High carbon priority



- EE for Council rental stock

Initially 8 000 units.

End of Phase III 40 000 units.

Under development.

Approximately 210 000 tonnes of carbon saved per annum

Funded by CoCT.

Institutional arrangement: CoCT (Housing and ERM) and private.

Easily reproduced.

High priority for CoCT.

Medium carbon priority.

- EE of low cost greenfields housing developments

All new low cost housing developments.

Under development.

Funded by CoCT.

Institutional arrangement: CoCT (housing) and private.

Easily reproduced.

Medium priority for CoCT.

Medium carbon priority.

Purchasing Green Electricity

- Power Purchase Agreements

13 GWh per annum of electricity from wind

Under development

Approximately 12 480 tonnes per annum of carbon saved

Funded by CoCT

Institutional arrangement; CoCT signed PPA

Easily reproduced

Medium priority for CoCT

Medium carbon priority

Energy Efficiency in Council Buildings

- EE retrofits to Council owned buildings and facilities

Initially 16 buildings

Finally all buildings and facilities

Under development

Funded by CoCT

Institutional arrangement: CoCT; ERM and specialized technical services

Easily reproduced

High priority for CoCT

High carbon priority



Energy Efficiency - Street and Traffic Lights

- Retrofitting of streetlights to use high-pressure sodium bulbs

All streetlights

Operational

Funded by CoCT

Institutional arrangement: CoCT; Electricity Department

Easily reproduced

High priority for CoCT

High carbon priority



Energy Efficient Pumps

- Replace existing inefficient with efficient pumps

Water and sewer pumps

Under development

Reduce carbon by 10 to 15%

Institutional arrangement: CoCT; water and sanitation

Easily reproduced

Medium priority for CoCT

High carbon priority



Reducing Methane Production

- Reducing the methane produced at Waste Water Treatment Works

Replace anaerobic digestors with aerobic digestion or other process

Under development

Institutional arrangement

CoCT; water and sanitation

Easily reproduced

Low priority for CoCT

Low carbon priority



Landfill Gas to Flaring or Energy

- Using landfill gas to produce energy

Either flare the landfill gas or produce energy

Under development

Institutional arrangement

CoCT; water and sanitation

Easily reproduced

High priority for CoCT

High carbon priority



Transport -

- Park and Ride

Park cars at centralised facility and then use buses

Under development

Institutional arrangement: CoCT; Transport Department

Easily reproduced

High priority for CoCT

Medium carbon priority



- Non Motorised Transport

Facilitate the use of non-motorised transport

Under development

Institutional arrangement: CoCT; Transport Department

Easily reproduced

High priority for CoCT

High carbon priority



- Bus Rapid Transit (BRT)

Use of integrated and dedicated public transport routes

Under development

Institutional arrangement: CoCT; Transport Department

Easily reproduced

High priority for CoCT

High carbon priority



- Green Goal

Energy efficient technologies

Stadia, training venues, fan park

Waste minimisation

Less waste to landfill

Recycling

Bicycle and pedestrian facilities

Public transport infrastructure

Bicycle service

Eco-taxis

Table 7: Project Matrix of Potential Carbon Offsetting Projects for Host City Cape Town

Project	Criteria		
	Reduce Carbon	Community Involvement	Replicability
Kuyasa (EE)	●	●	●
EE of Council rental stock	●	●	●
EE of low cost greenfield developments	●	●	●
Wind PPA	●		●
SWH bylaw	●	●	●
EE retrofits to Council owned buildings	●		●
Retrofitting of street lights to high pressure sodium	●		●
Retrofitting of traffic lights with LED	●		●

	Reduce Carbon	Community Involvement	Replicability
Replacing energy inefficient pumps with efficient ones	●		●
Methane mitigation	●		●
Landfill gas to energy	●		●
Park and ride	●	●	●
Non motorised transport 2010	●	●	●
Integrated rapid transit system	●	●	●
	●		●
	●		●

7. BRAINSTORM OF POTENTIAL CARBON OFFSETTING PROJECTS

Participants were divided up into groups. Each were asked to discuss the following and to report back:

“Based on the scoping of projects presented by Sarah and Shehnaaz, and your own ideas that you have been developing, and using the criteria for prioritization of carbon offsetting projects in Cape Town, brainstorm a range of projects that could be used to offset carbon for 2010 via the voluntary market. Indicate how they will be implemented, how they will impact on 2010 and prioritize them according to importance”.

The following are some of the key findings and recommendations of the groups:

Table 8: Potential Carbon Offset Projects For Cape Town:

Project	Funding	Visibility	Monitor & Evaluate	Carbon	Social	Total
Kuyasa extend	5	3	5	3	5	21
Province 1000 Solar Water Heaters	3	3	5	4	5	20
EE Council Housing Rental Stock	4	3	?	3	5	15
Greenfields housing (N2 Gateway, etc)		4	?	3	5	12
Wind Power Purchase Agreements (new) - too slow to implement						
SWH by law - unclear whether will have tangible benefits in time						
EE Retrofitting of Council Buildings	3	4	5	5	3	20
EE in Provincial Buildings	3	4	5	5	3	20
EE Water Pumps	0	1	4	4	3	12
ESCO for City (Energy Services Company)	4	3	5	4	3	19
EE Streetlights	2	3	5	4	3	17
EE Traffic Lights	2	3	4	4	3	16
Landfill/Methane	5	2	4	5	3	19
Park and Ride	5	4	1	4	3	17
NMT (Non Motorised Transport) NO						
BRT	4	5	3	5	5	22
Biodigesters	0	3	5	5	2	15
Sewage Digesters	0	4	5	5	3	17
LPG Vehicles	5	4	4	3	3	19

The Top 5 carbon offsetting projects are highlighted in yellow.

It was noted that the current Kuyasa project and the rental stock housing EE retrofit projects could not be used as part of the 2010 offset programme as the carbon credits in these cases have already been allocated elsewhere (both in terms of official CDM and on the voluntary market).

One of the project approaches discussed related to using donor funds to retrofit the Council Buildings and then selling the carbon savings / credits on the voluntary market. This will provide an additional income that can be used for EE programmes in low-cost housing. The additionality around this programme would need to be assessed as well as the need to investigate the legal impacts of ring-fencing carbon money within cities for use on a specific project (CoCT does not ring-fence funds at present).

8. RECOMMENDATIONS

Based on the inputs from the specialists invited to the workshop and the discussions and proposals from the workshop participants, the following are recommended actions to implement a carbon offset programme for host city Cape Town:

8.1 Host City Cape Town to implement a carbon-offsetting programme

Given that compliance offset is bureaucratically slow and complicated, and that it appears as though DEAT will not implement a national carbon offsetting initiative, the question was asked if it made sense for Host City Cape Town to develop its own carbon offsetting projects? Participants at the workshop felt that, in the light of an absence of leadership from national bodies, it was important that cities did this, as it was a core part of being a responsible host.

8.2. Clarify key aspects of approach to carbon offset for host city

In this step the following issues will need to be decided upon:

- Is the COCT aiming for carbon neutrality? Or is there some other target to aim for (e.g. offset all internal city emissions excluding accommodation and inter-city transport - as proposed in the draft national Green Goal Standards)?
- The CoCT should draw up a short-list of which projects are priorities for carbon offsetting. This will be based on:
 - The study currently underway within the city
 - The proposals from the workshop (see Table 8 above)
- The potential sources of funding for projects should be identified (since carbon revenue generally only funds a small part of the overall project costs)

8.3. Appoint a Carbon Project Manager and Offset Provider

According to Econ Pöyry AB, the most effective institutional model for the carbon offsets programme is the “outsourcing with oversight” model as described in Table 6 above.

The basic premise is that the key policy makers and decision makers that are leading the Greening 2010 effort in Host City Cape Town, The 2010 Environmental Work Stream, together with the City of Cape Town’s Carbon Work Group, should provide the guidance on the projects selected for the Carbon Offset Programme, but the implementation of the programme, including project evaluation, verification and monitoring, should be outsourced to a specialised Carbon Offset Provider (COP).

The COP will utilise an internationally recognised standard, such as the Voluntary Carbon Standard (VCS) or Gold Standard VER. The Carbon Offsets Programme should target a relatively small number of high profile projects in South or Southern Africa that can be implemented quickly and achieve the required emissions reductions over 10-20 years.

Having a least some projects underway by 2010 is essential for the Programme to have the desired impact on public awareness and action to mitigate climate change.

However, if Host City Cape Town implements 1-2 small carbon offsetting projects, and does not intend to go for full carbon neutrality, then appointing an international COP is not necessary. In this instance a local consultant to help with the documentation and process is adequate as long as a reputable standard (e.g. VCS, GS, etc) is used. The advantage of having a COP would be the international recognition and PR.

Appoint a Carbon Offset Project Manager

The next step would be to prepare the TOR for the employment of a 2010 Carbon Offsetting Project Manager. The Project Manager would provide overall technical and financial management and would prepare the TOR for the appointment of a Carbon Offsets Provider(s) (COP).

Develop a Terms of Reference (TOR) for the COP

This TOR, for procurement in a public tender, should incorporate information on, amongst other things:

- the type of projects
- location of projects
- international standard(s) to be used
- timeframes for implementation, with some early milestones to ensure speedy startup
- visibility of projects
- marketing and awareness of projects, and how this links with the 2010 Communications Programmes
- sustainable development criteria to be pursued
- explain how the COP would communicate with the 2010 Environmental Work Stream
- clarify the oversight function of the Environmental Work Stream
- clarify the responsibilities of the COP in ensuring adequate M&V in terms of the international standards chosen

The COP, once appointed, would undertake a detailed scoping of potential projects to be completed with feasibility and Business Plan.

Appoint the COP

The COP should be appointed based on an open tender, and ranked on their realistic ability to deliver the offset needs decided upon by the city.

8.4 Identify a longer-term institutional home for offset programme

While the 2010 Environmental Work Stream is the logical channel for oversight of the Carbon Offsets Programme, the Project Manager, funding accounts, and other administration need a clear, long term institutional home that provides for transparency, appropriate oversight by the Environmental Work Stream, flexibility and quick response. This could take the form of a new independent trust, administration by an existing trust or non-profit organisation, or administration by a development agency (e.g. UNDP). Housing the programme entirely within a local government department could present problems in terms of administration, flexibility and speed. To be effective, this

institutional home should have in-house expertise in the carbon project development and management - not because they will manage the actual offsets projects but so that they can oversee the contracts with the Carbon Offset Providers and ensure the long-term sustainability of the programme.

However, if Host City Cape Town is looking at only 1-2 small carbon offsetting projects, and does not intend to go for full carbon neutrality, then a special purpose vehicle will not be necessary as the CoCT could appoint internal people to do the job. In this instance even the Carbon Offset Project Manager might be someone from inside the CoCT, or it might be outsourced to a local consultant.

The most important next step is to identify the person who, as Carbon Offset Project Manager, will oversee the Carbon Offsets Programme for Host City Cape Town.

