

ToR for providing carbon advisory including baseline studies for energy efficient cook stoves

Background:

SEWA is a member-based organization of self-employed women workers with membership of over 1,300,000 across seven states in India. SEWA provides microfinance, insurance products, training, rural production and marketing, and housing services to its members. It is also active in Afghanistan and Sri Lanka. SEWA intends to sell during a period of 3 years 200,000 energy efficient to its clients in 4 states (Gujarat, Rajasthan, UP and Bihar) in India.

Cookstove projects account for a very small share of the global voluntary (viz., Gold Standard (GS) VER, Verified Emission Reduction, Project) and CDM (Clean Development Mechanism, Certified Emission Reduction, CER) carbon markets. Still, the number of improved stove projects has been growing rapidly since the introduction of approved methodologies, and there are several CDM/GS VER cook stove projects being developed in India, Uganda, China, Nigeria, Nepal and Bangladesh. SEWA wishes to appoint a consultancy firm to undertake carbon advisory work including baseline studies in order to avail carbon credits for the proposed project.

Objectives:

Based on an evaluation of possible routes for claiming the carbon credits from the proposed project, SEWA has decided to pursue the VER route (Annexure 1) for this project. The project will follow the VER Route with GS Large-scale Methodology for Improved Cook Stoves.

The objectives of this assignment are:

- To develop the GS passport and the complete PDD, including, inter alia, demonstration of additionality, determination of baseline and baseline emissions, emission reductions estimates, as well as a monitoring plan (e emission reductions and sustainability) in line with GS requirements. The consultant should consult GS Guidance Notes as needed.
- Support the process for seeking registration of the project by the GS Board (e.g., communication with the validation company, communication with the GS team, etc.).
- To determine baseline studies

Scope of Work:

To achieve the objectives, the consultant will work closely with the SEWA team. In particular, the consultant will:

1. Prepare GS passport and Project Design Document (PDD) containing baseline methodology, monitoring methodology in line with GS requirement.
2. Assist SEWA in carrying out local stakeholder consultations as per the GS criterion, including DO NO Harm assessment and SD matrix
3. Assist SEWA in the selection of validation company by way of preparing “request for proposal” document and technical evaluation of the offers.
4. Provide facilitation services for validation of PDD and registration of project by the GS board
5. Provide facilitation services for certification of carbon credit for initial two verifications.
6. Determine Non Renewable biomass (NRB) fraction
7. Carry out baseline survey(s) (BS) to determine target population characteristics (identification of clusters, consumption and types of fuel used, cooking practices, stove usage patterns, sustainable development etc.)
8. Perform baseline Kitchen performance test(s) (KPT) to determine Project Kitchen characteristics (operating thermal efficiency of project stoves, fuel emission factors, Indoor Air Pollution (IAP) reduction etc)

Exclusions:

The scope excludes support for sale of carbon credits to buyers.

Facilities to be provided to the Consultant

The consultant shall have access to relevant data on the project design and operation available with the SEWA as determined during the initial meetings. SEWA will also provide appropriate letters of introduction (to relevant agencies) for gathering any information required but not readily available with the SEWA.

Guidelines for Proposals:

Fixed price quotations, in INRs are sought for this project meeting the requirements of this ToR.

The offer should propose a study methodology and identify a team of individuals who can undertake this work. The suitability of nominated team members for the assignment must be demonstrated convincingly.

The proposal should include a schedule of time allocated to each team member by task, identifying timeline and milestones in preparing and completing deliverables, including overall project management.

Proposed fee rates for all team members should be advised, and hence the proposed fee cost shall be advised.

The consultant's food and accommodation and travel expenses will be borne by SEWA.

The proposal should present timeline (before 15th December 2010) and milestones covering appointment of consultant, project start, draft deliverables, final deliverables, and project completion

Any questions related to this Terms of Reference should be directed to Shri Reema Nanavaty, [email:reemananavaty@sewa.org](mailto:reemananavaty@sewa.org) Telephone: (079) 26589729

Annexure 1

Comparison of Carbon Asset Creation Processes for Cookstoves Projects

There are three routes to claiming carbon credits from the proposed 170,000 improved cookstoves to be distributed over the next three years in India:

- 1) Gold Standard VER Route with GS large-scale Methodology for Improved Cookstoves version 01,
- 2) Gold Standard VER PoA¹ using small-scale CDM methodology – AMS II. G, version 02 (“Energy Efficiency Measures in Thermal Applications of Non-Renewable Biomass”), or
- 3) CDM PoA using small-scale CDM methodology-AMS II. G, version 02.

¹ A Program of Activities (PoA) is a programme that implements multiple clean energy measures which result in greenhouse gas reductions that are additional to any that would occur in the absence of the PoA.

Table1: A comparison of the three different routes against key parameters.

	Route 1: GS VER large-scale	Route 2: GS VER PoA using small-scale methodology CDM	Route 3: CER PoA using small-scale methodology
Transaction costs	Low	Very high	Very high
Consultant cost for providing carbon advisory including baseline studies to avail carbon credits (US\$)	-	-	-
Validation cost	US\$ 39,000	100,000 (Similar to Route 3)	EURO 100,000 One PoA validation and 5,000 for inclusion of ten subsequent CPAs
Verification cost (US\$)	91,000 31,000 for one initial verification and 4 subsequent verifications at 15,000	250,000 One initial verification at 50,000 and 4 subsequent verifications at 5,000 (10 PDDs)	250,000 One initial verification at 50,000 plus 10 PDDs over 4 years at 5,000 each
Registration cost (US\$)	Nil	Nil	Registration fee for a PoA is based on the total expected annual ERs of the CPA(s) that will be submitted with the request for registration of the PoA. For subsequent CPAs no fee is to be paid.
Issuance of VERs	2% of the VERs issued + \$ 0.05 per VER + 5,000 performance fee for consultant	2% of the VERs issued + \$ 0.05 per VER + 5,000 performance fee for consultant	2% of the VERs issued + \$ 0.05 per VER + 5,000 performance fee for consultant
Carbon offset price			

Success rate in terms of registration	Good	Yet to be demonstrated	Yet to be demonstrated
No. of ongoing projects	42 (includes small scale GS projects)	probably only single project from India	4
Number of registered projects	3	Not yet	Not yet
Issuance	9 (3 projects issued 3 times each)	Not yet	Not yet
Additionality	Easily demonstrated	Easily demonstrated	Easily demonstrated
Retroactive credits	Yes	Yes	No
Carbon credit amount	Potentially 25% larger than for routes 2 and 3 (CH4 and N2O emission reductions covered by methodology)	Only CO2 reductions are claimable	Only CO2 reductions are claimable
Registration and issuance procedures	Monitoring requirements more complex than for routes 2 and 3.	Complicated and limited flexibility	Complicated and rigid
Average time to complete registration procedure	More than 1 year	More than 1 year	1.5 year average