

Concern Universal Malawi

Sharing experiences of carbon financing through the
Gold Standard

Presentation for ACP-EU Energy Facility Seminar, Kigali

22nd November 2012



Presentation Outline

- Overview of Msamala Sustainable Energy Project
- The Chitetezo Mbaula cookstove
- The Gold Standard and the Voluntary Emissions Reduction Market
- Progress to date
- Next steps

Msamala Sustainable Energy Project

Working with 180,000 people in 321 villages to improve sustainable access to and use of energy in TA Msamala, Balaka District of Malawi.

The project finishes in December 2012 and has registered the following achievements to date:

- i. 1,478 adults have been assessed as being functionally literate.
- ii. 6,500,000 trees planted
- iii. 504 hectares of community forests protected under sustainable forest management plans
- iv. 24,000 fuel efficient cookstoves have been sold and are in use
- v. 214 Village Savings and Loans (VSL) groups established with total contributions to date in excess of EUR 130,000
- vi. 20 primary schools installed with solar systems

The Chitetezo Mbaula Cookstove



- Separated production and marketing functions- enables scale
- Stoves bought by marketers for US\$1.25 and sold to public at US\$1.50
- Each stove has to have exact dimensions to qualify for carbon financing
- And each one must also have a unique serial number

The Gold Standard and the Voluntary Emissions Reduction Market

- Began discussions with Hestian Innovation in 2008 about registering our cookstoves work with the Gold Standard.
- Rigorous series of field trials took place through 2008 and 2009. Established that each stove saves 1 tonne of firewood each year which is equivalent to 1.6 tonnes of CO₂.
- Led to official registration with the Gold Standard in 2010. Agreement valid from 2009 for seven year renewable three times i.e. 21 years.
- Hestian Innovation responsible for sourcing buyers for the credits in Europe-governments and private companies.
- Each stove sold is tracked on a database. Has to have a unique serial number and a form signed by the buyer.
- Annual audit conducted each October. Independent auditing firm recruited by Hestian Innovation.
- Audit Involves random selection of forms followed up by physical verification to establish how many are in active use at that time.

Progress to date

- First audit carried out in November 2010 covering stoves in use for the 12 months up to October 2010.
- 9,000 stoves were in use as of October 2010 but many of these had been sold during the year so did not count towards a full year's carbon credits.
- We received EUR 50,000 in March 2011 as a result of this first audit.
- Second audit carried out in November 2011 covering stoves in use for the twelve month period up to October 2011.
- 15,000 stoves were in use as of October 2011. Receipt of credits revenue has been delayed due to issues with the auditor and 'suppressed baseline'.
- The 'suppressed baseline' issue has been resolved positively and we will be receiving payment in December 2012. We estimate that we will receive between EUR 200,000 and EUR 300,000.
- Third audit currently underway with funds expected in March 2013 dependent upon securing new buyers.

Next Steps

- We are establishing a district level 'carbon management committee' to pass carbon revenues back to communities on an annual basis through the existing decentralised structures of Village Development Committees. Principle of community ownership and autonomy over use of funds. First payments to be made in 2013.
- Our agreement with the Gold Standard also covers neighbouring Districts in Malawi so we have expanded the number of communities benefitting from improved cookstoves.
- Establishing a Sustainable Energy Management Unit from January 2013 with the remit to manage our stoves database, expand carbon financing opportunities and conduct sustainable energy research.
- Based in Malawi but with an international remit. Providing a non-profit making service to other organisations interested in benefitting from carbon financing opportunities.
- Working with the Government of Malawi, Irish Aid and USAID to establish a National Stoves Task Force and related policy measures to ensure that communities gain maximum benefit from potential carbon financing flows.

**Thank you
Zikomo**

robin.todd@concern-universal.org