Carbon Project Idea Note v2.1

NATURAL CLIMATE SOLUTION ACCELERATOR

*The **objective** of the Project Idea Note (PIN) is to rapidly evaluate the potential of an NCS opportunity to enter the voluntary carbon market and identify areas that might need close attention in the feasibility assessment and design phases.*

Guidance is provided in each section to help fill in each section. Feel free to remove them once the PIN is completed.

Part 1 – Basic Project Info

Project name	*Project name*
Location	*Country, region*
Size	*Initial project area size in hectares, **AND** if the project will be implemented in phases or it is a grouped project, include the total in hectares.*
Grouped project	*Add and X in the correct option:* *( ) yes ( ) no ( ) undecided/not sure yet*
Project Lead	*Provide the name, title, and email of the person(s) within the applicant organization responsible for ensuring the successful implementation of the project.*
Local project coordinator (or manager)	*Identify the staff member or local partner who will be ultimately responsible for the coordination of the feasibility assessment on the ground (e.g., arrange meetings, facilitate data exchange, and others). This person will be the main point of contact.*
AFOLU Category or Natural Climate Solution pathways implemented by the project that will generate the *majority* of climate benefits	*Add and X to check the option:* *( ) Reduced Emissions from Deforestation and Degradation (REDD)* *( ) Afforestation, Reforestation, and Revegetation (ARR) or Agroforestry* *( ) Agricultural Land Management (ALM)* *( ) Avoided Conversion of Grasslands and Shrublands (ACoGS)* *( ) Improved Forest Management (IFM)* *( ) Wetland Restoration and Conservation (WRC)* *( ) Other. Describe:*
IPLC involvement and/or leadership and/or project co-development	*Add and X in the correct option:* *( ) yes ( ) no ( ) unclear/not sure yet*
Potential climate benefit	*Provide the expected climate benefit of the project (tCO_2eq). Add the total (over crediting time) and per year (average).*
Project Summary	*Provide a concise summary of the project (250 words max), outlining how the project intends to tackle the issue that is leading to GHG emissions or barriers for GHG removals, the capacity to implement those activities on the ground, the*

	expected climate benefit, an indication of the financial viability, and the participation of IPLC.
Budget	*Provide the total amount (US$) requested for the NCS accelerator.*
Feasibility study term	*Provide the feasibility study term (start and end date in MM/YYYY).*

Part 2 – Project Design

2.1 Project location (max 200 words)

*Indicate the project location (country, region), area (total project area and crediting area, initial and scalable (**if applicable**) in ha), land cover, and main habitats and their condition.*

***If available**, please include a map locating the (potential) project area and showing the project boundaries, as well as land parcels and other relevant information.*

2.2 Problem statement (max 250 words)

***If the project aims to reduce GHG emissions from** (e.g. avoiding forest degradation and/or deforestation, or avoided conversion of grasslands and shrublands (including wetland conservation)), section a) must be completed. **If the aim is to remove GHG emissions** (e.g. ALM, ARR, or IFM activities (including wetland restoration)), section b) must be completed. It is recommended to complete both sections.*

a) Causes of GHG emissions

Describe the drivers or the main human activities leading to deforestation, degradation, or conversion of grasslands and shrublands or wetlands, thus emitting GHG (e.g., conversion to agriculture, timber extraction, overgrazing, or mineral extraction…). Different drivers might be associated with different agents (e.g., groups of people or organizations).

AND

Describe the underlying causes that contribute to or exacerbate the drivers. It can be social, economic, cultural, or climatic (e.g., lack of knowledge of sustainable agriculture practices, limited enforcement of environmental legislation, lack of livelihood opportunities and increased poverty level, migration due to social conflicts, increasing level of drought leading to low productivity and forcing farmers to open new forest areas searching for better soil conditions…)

b) Barriers to GHG removals

Describe the barriers to the implementation of the activities aiming to remove GHG. Describe the reasons that the local stakeholders have not restored or improved the health of the ecosystems before. Those barriers can be social, behavioral, technological, political, or financial limitations that prevent its implementation (e.g., limited seedling supply chain, lack of awareness about forest legislation, cost of implementation, cultural or traditional practices…). Describe why the ecosystem will not regenerate itself without the carbon project.

2.3. Project implementation activities (solution) (max 250 words)

List the main implementation activities that will result in behavioral change in the agents and lead to GHG reductions or removals (that may include the expansion of IPLC and traditional practices). Explain how these activities will address or minimize the causes of GHG emissions, and/or overcome the barriers to removing GHG.

Describe the expected outcomes and impact of the implementation of project activities. If the project has developed a Theory of Change, please include it here.

2.4 Capacity of implementation team (max 200 words)

Describe which organization(s) will ultimately be responsible for the ongoing implementation of the project activities on the ground (listed in 2.3). Detail their capacity and expertise. Highlight any existing work in the area or important partnership that will contribute to the project implementation.

If those organizations or their capacity is not yet identified, explain how the project intends to implement the project activities. Describe who will be the project lead and any other decision-making committee that is already defined.

2.5 Risk assessment (max 200 words)

List the main material risks to the project's success, including political, financial, policy-related, social, reputational, natural disasters, and project implementation/delivery risks. Include any identified risks of carbon losses or reversals and potential leakage. Briefly describe the strategies to mitigate these risks.

***Suggestion:** use the Risk Assessment tool to help you identify potential risks (i.e., columns C to G), and include here the ones rated as **High** or **Extreme**.*

Optional: If the project has completed all the parts of the Risk Assessment tool (or any other risk assessment), please submit it with your application.

Part 3 – Carbon Accounting

3.1 Carbon standard and methodology (max 100 words)

*List the **likely** carbon certification standard and associated methodologies or modules to be used. Describe how the project meets the applicability conditions for the selected methodology (**if one has been selected**).*

If several standards and methodologies fit the project activity, or project is considering more than one standard, please list them. Full assessment of applicability conditions and potential comparison between methodologies will be completed during the feasibility assessment, however projects without a clear methodology option might not be selected.

*Include the **estimated** project start date and crediting period.*

3.2 Accurate/ conservative baseline (max 250 words)

Describe the "business-as-usual" scenario detailing what would happen in the project area without the project intervention, considering the nature, magnitude, and timing of the land-use changes.

According to the project AFOLU category, describe the historical rates of deforestation OR ecosystem degradation, OR historical patterns of implementation of conventional activities (e.g., extensive cattle ranching or low-productive forestry practices) OR carbon increment/growth rate.

Describe any assumptions or parameters used at this stage and/or that will be further revised to improve accuracy.

3.3 Additionality (max 200 words)

Clearly describe how activities that generate climate benefits would not have occurred without the direct project intervention. Please pay special attention to Regulatory Surplus (i.e., demonstrate that the project is not mandated by any systematically enforced law, statute, or other regulatory frameworks) and financial additionality (i.e., demonstrate that climate benefits would not occur without the incentive of carbon finance).

If more work is needed to prove additionality, list the plan to do so during feasibility. Some questions to help the assessment are here[1].

3.4 Climate benefit (max 250 words)

Provide the total potential GHG emissions removal and/or reductions over the project crediting period (e.g., 40 years). This first estimate can use data from similar projects, relevant studies or literature and does not need to be exact at this stage. ***If possible****, please provide these estimates per year and per hectare.*

Include the assumptions and parameters (e.g., emissions factors, deforestation/ removal rates, project effectiveness in reducing the historical deforestation rate, buffer discount, leakage discount, and others). If ***available****, attach the spreadsheet with the calculations.*

Resources: GHG emissions reductions and removals tools [optional] [optional]

Part 4 – Financials

4.1 Project Costs (max 250 words)

Provide clear information in the sub-sections below related to the costs of implementing the project activities that generate a climate impact. The budget to undertake the feasibility study is described in section 7.

1. *If the project is implemented in phases (e.g., intervention area expansion or inclusion of new areas/ instances for a grouped project), describe what the* ***phases*** *of the project are, including the* ***activities*** *planned, estimated* ***start and end date*** *for each phase (year), and the* ***size of the crediting*** *area (ha) of each phase.*

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[1] *Are similar conservation project activities (e.g., reforestation) being implemented, either voluntarily or via legal requirement, in the region or by the landholder? Are there any other carbon projects in the region? Is this proposed carbon project mandated by any systematically enforced law, statute or other regulatory framework? What sources of funding (outside of NCSA/carbon finance) could be leveraged to implement on-the-ground activities, if any? Could the activities be fully financed any other way? Would carbon be closing a funding gap, or the primary way possible to catalyze the adoption of project activities?*

For example:

- ***Restoration** - a reforestation (ARR) project may be implemented in phases due to the capacity of implementation or availability of resources. Therefore, describe the area to be reforested (in ha) each year and the time it will take for those reforestation activities to be carried out.*
- ***Improve Management** – for similar reasons to ARR projects, the project will engage with a certain number of farmers to adopt sustainable agriculture practices over time. Describe how many farmers will participate in each phase, the average farm size (in ha) that will be expanded annually, and how long.*
- ***Protection** – indicate whether the project aims to implement forest protection and livelihood opportunities in several community lands as a group project or whether it will start with a pilot area scaling up thereafter. Describe the area (in ha) and respective project activities included in each instance. REDD projects will likely have higher capacity building/training costs throughout the project lifetime relative to the restoration-type NCS projects.*

2. *Depending on the type of NCS project, your project may have higher 'upfront' implementation costs in the initial years. Those costs will vary from project to project, or by location, and may include activities such as stakeholder engagement, implementation of nurseries, training/capacity building, acquisition of equipment/ vehicles, etc. Provide an estimate of the **upfront implementation costs** (USD/year/ha) for the initial years described in subsection 1.*
   For Example:
   - ***Restoration**: Within the context of an NCS restoration project (ARR) the upfront implementation cost per hectare includes the cost of planting trees, fencing, seed production, etc. Restoration projects will have high upfront implementation costs in the first few years to carry out the initial restoration (enabling) activity. Indicate what these upfront restoration costs are likely to be on a per hectare basis. Recurring maintenance or other costs after the restoration activity is carried out are considered in sub-section 3.*
   - ***Improve Management**: The upfront implementation cost per hectare mainly encompasses the cost of helping stakeholders improve their land management practices. Typically, this involves extension training, workshops, and other forms of outreach to local participants (e.g., herders, farmers, etc.). In some cases, it may include an upfront purchase of equipment or supplies (e.g., fencing, agriculture inputs, etc.). Provide an estimate of the upfront costs. The recurring training costs are reported in sub-section 3.*
   - ***Protection**: Similar to the improved management projects, the majority of the overall projects are recurring (sub-section 3) rather than upfront costs. For protection projects like REDD, the implementation cost per hectare refers to the initial costs to sponsor activities that address the drivers of deforestation. The upfront costs may be associated with land acquisition, purchase of equipment, the establishment of a fire brigade, development of management plans, etc. Report the recurring cost component for subsection 3.*

   Tip: Some of the costs are not per hectare base. In that case, add all of them and divide by the total area of the project or phase. The project may prefer to create a separate spreadsheet to facilitate the estimation of upfront costs.

3. *Once the project is operational, the overall costs may decrease, but the project will have **recurring costs** such as maintenance, training, monitoring, patrolling, and other project-specific costs. Provide an*

*estimation of the average **recurring costs** (USD/year/ha). Note that costs related to carbon certification (PDD development, contracts with VVB, carbon MRV, registry fees) **do not need to be included**.*
For Example:

- ***Restoration**: This may include routine pruning, replanting trees, monitoring of survival rate or other indicators, etc. If the project intends to pay landowners and incentives on a recurring basis, please include that here as well on a per-hectare* basis.
- ***Improve Management:** Please indicate the recurring cost of helping stakeholders improve their land management practices. It may involve recurring extension training, workshops, and other impact monitoring, etc.*
- ***Protection:** Please indicate the recurring costs of cost of sponsoring activities on the ground that address the drivers of deforestation. It may include patrolling, awareness campaigns, environmental education programs, support of alternative livelihood activities, etc.*

4. *Some projects may impact the revenue of local stakeholders/communities; for example, an ALM project shifting agriculture production to agroforestry may impact productivity, or if the farmer is forgoing some productive piece of land to restoration, it may decrease the production area. **If applicable** to the project, identify and provide an estimation of annual recurring community opportunity cost (USD/year/ha) if local stakeholders/communities are expected to experience a decrease in their annual income as a result of the carbon project.*

5. ***If known**, describe any potential financial mechanism that would cover the ongoing costs after the crediting period (therefore, after the carbon finance/ crediting period). (e.g., the establishment of an endowment fund for Protected Area management, establishing livelihood opportunities, strengthening production/value chain or local economy based on sustainable production, changing local economy or livelihood practices and behaviors that value the standing forests…).*

4.2 Non-carbon costs or sources of revenue (if applicable) (max 200 words)

*The objective is to understand if any additional source of funding would directly subsidize the project costs (e.g., support the FPIC process) and, therefore, the revenue should be included in the financial model/ or have that cost excluded from the model, thus improving the financial viability. Please provide **(if applicable):***

- *Identification of any government-mandated revenue-sharing requirements*
- *Identification of non-carbon revenues available to the proponent (e.g., sale of nontimber forest products, ecotourism.)*
- *Identification of any existing grant / initial funding (e.g., philanthropy, public funding.) available to the project and brief categorization of what it will be used for*

Part 5 – Policy and Legal

5.1 Integration with relevant government carbon policies and laws (max 250 words)

Briefly describe the status of the voluntary carbon market in the country, including existing government laws, policy frameworks, and regulations governing the project area. Clarify if the country allows the generation and trading of carbon credits under the voluntary carbon markets.

Describe if the project has received or should have any authorization or endorsement from the national or regional government to be implemented, including if the project is required to be registered in any national registry.

5.2 Legal agreements (max 200 words)

List any agreement, contract, or discussion between the carbon rightsholders and any third party (e.g., an external project developer or private company) about project development or carbon trading, including, but not limited to, transferring the carbon rights or up-front payments (e.g., if the communities have been discussing or have any formal agreement with other carbon project developers).

Part 6 – Social and Environmental Aspects

6.1 Stakeholders/Rightsholders (max 250 words)

List the landowners and/or land managers of the project area, and anyone with rights to the area, including ownership rights, use rights, management rights, and/or customary rights. Describe land tenure status (e.g., Is land tenure clearly defined with legal titles or any formal documentation? Are there conflicts over land tenure?)

AND

Describe any other key actors that may be interested in or impacted by the project (inside and out of the project area), such as, but not limited to, governments, nomadic populations, NGOs, etc, and describe their role. Consider whether the project impacts any actors downstream or neighboring the project area and/or if there are temporary or migratory users of the land. Highlight whether any actor is IPLC, or part of any marginalized or vulnerable group.

Resources: Social toolkit [optional for guidance].

6.2 Social impacts and benefits (max 100 words)

Briefly describe how the project may benefit stakeholders and/or rightsholders. Describe the main impacts or risks to stakeholders and/or rightsholders. Explain what the overall value proposition is for local actors to participate in the project.

6.3 Biodiversity benefits (max 100 words)

Describe the expected environmental/biodiversity benefits of the project. If relevant, describe the conservation importance of the area (such as Key Biodiversity Areas or endemic/threatened species).

Part 7 – Implementation

7.1 Project timeline (max 200 words)

Describe the desired overall project timeline, including estimation of the project lifetime, validation, and verification events. Include a timeline of feasibility and PDD stages. Fill out the overall project timeline table in the spreadsheet below and copy and paste the ***timeline summary here****.*

Please describe any hard time constraints that could impact the execution of this project (for example, new policy, agreement with a project developer, rainy season, dependence on methodology approval, etc.).

7.2 Technical expertise/ support needed (max 250 words)

Describe the support needed for the feasibility study of your project. Fill out the Feasibility Study workplan to the best of your knowledge alongside the budget to help identify the activities that will be carried out during feasibility and the resources needed. Copy here and create a budget summary table.