

A woman wearing a red patterned sari is cooking over a wood-burning stove. She is using a wooden spoon to stir a yellow liquid in a black pot. The stove is set against a brick wall, and a metal chimney pipe extends upwards. The scene is outdoors or semi-outdoors.

# Pathways to Clean Cooking 2050: Leaving No-one Behind

International Conference: 30-31 May, 2019, Wexford, Ireland

Thematic panel – Finance

**Experience with global financial frameworks to make  
clean and affordable energy accessible for all**

Arthur Laurent, CEO and Co-Founder



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# 1. What is Microsol?

Microsol is a **social enterprise** created in 2008 specialized in **environmental topics applied to social issues.**



What it does:

- ✓ Project funding (carbon markets and other climate finance)
- ✓ Applied studies in appropriate technologies for climate change mitigation
- ✓ Project monitoring and evaluation with an integral and sustainable approach
- ✓ Financial inclusion for development
- ✓ Public policies

# 1. What is Microsol?



## Utsil Naj – Healthy homes

- **Where and when:** Mexico, Guatemala, Honduras, El Salvador, Peru - 2011
- **Certification:** GHG + 7 SDGs
- **Technologies:** ICS and water filters
- **Number of families:** 22,525
- **Avoided GHG volume (tCO<sub>2</sub>e):** 209,681
- **Carbon funds:** 400k USD

## Qori Q'oncha – Golden cookstove

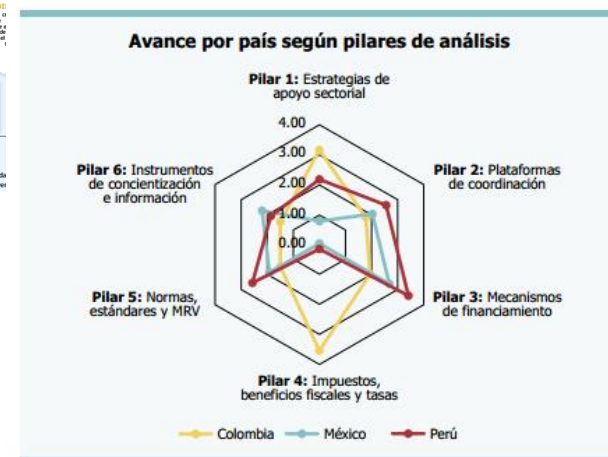
- **Where and when:** Peru - 2008
- **Certification:** GHG + 7 SDGs
- **Technology:** Improved cookstoves
- **Number of families:** 140,271
- **Avoided GHG volumen (tCO<sub>2</sub>e):** 1,745,491
- **Carbon funds:** 6M USD

PILAR	SUBPILAR
Estrategias de apoyo sectorial	<ul style="list-style-type: none"> <li>Legislación y políticas públicas existentes</li> <li>Programas gubernamentales en ejecución</li> <li>Otras estrategias de promoción y articulación</li> </ul>
Plataformas de coordinación	<ul style="list-style-type: none"> <li>Comités multisectoriales en funcionamiento</li> <li>Redes nacionales activas</li> <li>Asociaciones de productores conformadas</li> <li>Redes internacionales</li> </ul>
Mecanismos de financiamiento	<ul style="list-style-type: none"> <li>Mecanismos de subsidio en ejecución</li> <li>Propuesta de dinamización de mercado</li> <li>Cadena de valor de combustibles alternativos</li> </ul>
Impuestos, beneficios fiscales y tasas	<ul style="list-style-type: none"> <li>Impuesto sobre las ventas</li> <li>Impuesto sobre la renta</li> <li>Otros beneficios fiscales</li> </ul>
Normas, estándares y MRV	<ul style="list-style-type: none"> <li>Norma técnica vigente</li> <li>Estándares de calidad y evaluación exigidos</li> <li>Monitoreo, reporte y verificación diseñados y en implementación</li> </ul>
Instrumentos de concientización e información	<ul style="list-style-type: none"> <li>Campañas de marketing ejecutándose</li> <li>Capacitación a usuarios y proveedores</li> <li>Difusión de resultados de investigación y desarrollo</li> </ul>

Fuente: Elaboración propia



- ✓ CCAC funded comparative study of 3 countries
- ✓ Original Framework for public policy analysis
- ✓ RLCCL collaboration
- ✓ General recommendations for policy makers
- ✓ Graphic roadmap



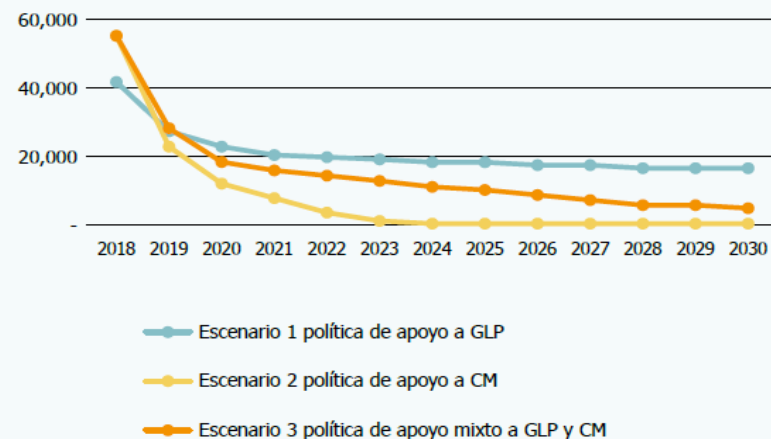


Relation between  
**SHORT-LIVED  
CLIMATE  
POLLUTANTS AND  
RURAL COOKING**  
in the residential sector

Prospective Study applied to  
**Colombia, Mexico and Peru**

- ✓ CCAC funded
- ✓ RLCCL collaboration
- ✓ Study applied to 3 countries
- ✓ Scenarios comparison (ICS, LPG, ICS and LPG)
- ✓ Cost of SLCPs emissions reduction by scenarios

*Costo promedio de reducción de una tonelada de carbono negro (USD)*



## 2. From PoAs to NAMAs

### What is a NAMA?

Nationally Appropriate Mitigation Actions refer to any action that reduces emissions in developing countries and is prepared under the umbrella of a national governmental initiative. (UNFCCC)

### Preparation and operation funding

- ✓ ADMIRE Adaptation and Mitigation Readiness, Peru and Colombia
- ✓ Progress in Cookstoves NAMAs: Guatemala, Honduras, Peru
- ✓ NAMA Facility Funding: Guatemala feedback pending

### Main realizations of ADMIRE Peru – NAMA Preparation

- ✓ Structuration of a management platform (public-private, multi-sectoral and multi-level Steering Committee).
- ✓ Funding plan development.
- ✓ Clean cooking technologies market strengthening plan development.
- ✓ Identification of the legal framework and support in technical regulations.

### 3. Paris Agreement and ITMOs

#### Paris Agreement

- Objective: limit the increase of global average temperature caused by GHG to **under 2 °C**.
- Each country commits voluntarily to reach goals defined in their Nationally Determined Contributions – NDC within and outside their national territory, with or without exterior funds.
- Article 6 – ITMO: Las naciones están autorizadas a negociar "enfoques de cooperación" para lograr cumplir su NDC, incluyendo el uso de “**Resultados de mitigación transferidos internacionalmente**” (Internationally Transferred Mitigation Outcomes - ITMO). Para ello, se deben generar los mecanismos necesarios y asegurar **una adecuada contabilidad de carbono** para evitar doble contabilidad.

#### The Tuki Wasi Project

- Objective: **Test a mechanism** aiming at implementing improved cookstoves in **real conditions** in rural áreas of **Peru** for future generation of ITMOs.
- Expected results
  - ✓ Collection of data on **more specific costs** in order to make **projections** in a next phase.
  - ✓ Identification of the **adequate regions** for generation of ITMOs.
  - ✓ Contribute to the **generation of synergies** with the Peruvian government during the Project's implementation.
  - ✓ Develop the **pre-funding structure** necessary for improved cookstoves projects.



## 4. Take aways

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1. Building on carbon projects for implementing NDCs
  - The voluntary markets have been very volatile and limited as a funding source thus limiting the capacity for most projects to scale up at national level
  - Most projects (some PoAs excepted) lacked articulation with local governments but served as pioneering activities within a sector
  - NDCs are becoming a reference points for defining national public policies including those regarding clean cooking and use carbon projects as examples.
2. ITMOs as a new funding mechanism for stove projects
  - ITMOs, as part of NDCs promise a more durable and less volatile structure, while being more sophisticated with regards to public policy.
  - The use of funds related to implementing NDCs requires a concerted public-private action based on national planning, with adequate segmentation differentiating the rural vs. Urban and the poorest vs. those with payment capacity
3. The need to «embrace the stack» in an integrated MRV
  - Implementing ITMOs and NDCs requires trajectories/pathways to be defined at national level considering multiple technologies and fuels and funding sources.
  - Robust MRVs will be the backbone of this new governance system and they will have to use a sophisticated approach to the cooking system that takes into account multiple stoves and fuels (stacking).

**Thank you for your attention!**

