<p align="center" style="color:maroon">A NOTE TO ICCO FROM THE FAIR CLIMATE NETWORK
(distillation of discussions held on 26th & 27th January 2011 at Bagepalli</p>

Background

- The Fair Climate Network is an open and welcoming platform of 86 development workers, climate change activists, environmentalists, scientists, technology providers and others from India and abroad.
  They represent 28 grassroots NGOs who work with the rural poor, and 20 support organisations. 6 Network members participate in their individual capacity.
- The Purpose of the FCN is to facilitate and capacitate grassroots bodies develop pro-poor CDM Projects and tap carbon resources for sustainable development.
- Icco is an equal and participating member of the FCN.

- Pro-poor CDM Projects can be taken up by grassroots NGOs only when they have fostered strong and empowered CBOs with a business sense to deal with commercial moneys/commitments.
- CDM is therefore an added layer, on top of strong and independent communities with a formal structure and identity, with grassroots NGOs acting as aggregators of carbon credits, experiential learning, and powerful stories that chronicle the generation of carbon offsets by the poor.

- The Fair Climate Network has, over the past 3½ years, evolved definite Standards:
  - Community Ownership
    participation in planning, implementing the chosen technology, and monitoring of CER generation over an extended time period.
  - Legally binding Carbon Revenue Sharing Agreements
    wherein a major portion of CER income goes directly to the End Users who actually generate CERs.
- CDM development comprises 2 parallel/sequential processes:
  - NGO Dynamics
    the facilitating and hand holding of NGOs to make the transformation to deal with commercial moneys and long term commitments
  - PDD Development
    the choosing of an appropriate technology, writing the Project Design Document, obtaining Host Country Approval, seeing through Validation and registration with the UNFCCC
- The Tech Team at Bangalore is a facility of the Fair Climate Network. Icco has made a generous contribution to meet the first 3 years operational costs of the Tech Team, and a bridging fund to assist NGOs meet shortfalls in their transaction costs.

CDM Strategic Considerations

Icco could further support the development of pro-poor CDM Projects by capacitating NGOs to move away from the welfare and service delivery mode. This has to be done at 3 levels, with varying intensity and a degree of overlap.

A vital prerequisite is that Icco clearly spells out its own Business Interest in an open, transparent and acceptable manner.

Bilateral

- Capacitate ALL Icco Programme Officers to make sound assessments of each Icco partner who shows an interest in tapping carbon revenues for the sustainable development of the poor.

- Support identified partner NGOs to undertake appropriate organisational development (OD) Interventions to:
    - Rationalise the Institutional base of their NGOs
    - Guided Exposure, Problem Analysis, LFA & Strategic Planning
    - Reengineer Activity Processes
    - De-bureaucratise their organisational functioning
    - Acquire in-house as well as on-call Skills and Competencies
- Assist partner NGOs build sound Database with detailed demographic information on every single CBO Member family, and develop customised Software to track basic community organisation activity processes.
- Assist in evolving appropriate structures and a legal framework for formal CBO functioning; registering them as independent entities.
- Assure bilateral support for the reengineered, lean and flat institutional frameworks of partner NGOs to support CBOs, without the threat of mid term discontinuity.

CDM
- Introduce Icco partners to the Fair Climate Network so that they obtain a clear understanding of the FCN's climate change policy and strategy.
- Icco Programme Officers to be alert to Programmes of Action that emerge from the FCN in specific geographic regions, on particular issues and topics, etc.
  E.g. a Low Carbon Farming (LCF) Coalition in western India; a group of smaller NGOs together registering a single CDM Project that they would then separately implement; a lobby and campaign effort to change a procedure or rule in the DNA; an adjustment to a methodology in the EB, etc.
- Recognise even efforts by individual partner NGOs as belonging to the broader coalition concept, insofar that they would not be able to take the plunge on their own, without the active support of the Fair Climate Network.
  E.g. a single grassroots NGO with a strong and mature CBO base would not be able to develop a CDM Project, obtain forward funding through the advance sale of carbon credits, meet monitoring/verification requirements, deal with the carbon markets, etc. on it's own, even with Tech Team support.

ERPA's
- Identify where the Business Interest of Icco match and meet with that of the emerging Programme Coalition.
- Support such Coalition Programmes with grants, contacts, and active participation.
- Meet the CDM development transaction costs of partner NGOs who are unable to avail the FCN bridging fund.
- Forward purchase CERs from registered pro-poor CDM Projects, using Icco's carbon investment company, the FairClimateFund.

Climate Policy Considerations

The Fair Climate Network has an international presence, recognition and credibility in the climate change world. Icco could, as an active member of the FCN, link its own policy to the proactive engagement that the Network gets into with:

- National government and policy makers to provide grassroots inputs and capacitate the policy framework.
  However, this needs to be done in small models, perhaps at the State level.
- Climate activists in Europe and other parts of the world.

Along with Project Proponents of pro-poor CDM Projects who form the client base of the FairClimateFund:

- Nurse a constituency in the non compliance market through strategic marketing of pro-poor CERs, along with the powerful stories that accompany them.
- Develop the FairClimateFund as an ethical fund raising strategy using the social entrepreneurship model.