DIAMONDS4IF

DISCOVERY, IDENTIFICATION, APPLICATION, AND MONITORING OF DEVELOPED SOLUTIONS FOR INNOVATION FUND

GUIDELINE – GHG EMISSION AVOIDANCE: KEY CALCULATIONS AND METHODOLOGIES

Welcome to our Guideline on the essentials of the Innovation Fund's GHG emission avoidance methodology, focusing on Absolute and Relative Greenhouse Gas (GHG) Emission Avoidance!

The Innovation Fund supports projects with significant potential to reduce greenhouse gas emissions, and understanding this methodology is key to demonstrating your project's impact.

The calculation of GHG emission avoidance is one of the **key mandatory elements** of the Innovation Fund. And the results of this calculation are expressed as Absolute GHG Emission Avoidance and Relative GHG Emission Avoidance.

So before delving into the essentials Methodology, we should understand what

- **Absolute GHG Emission Avoidance** and
- **Relative GHG Emission Avoidance**

represent.

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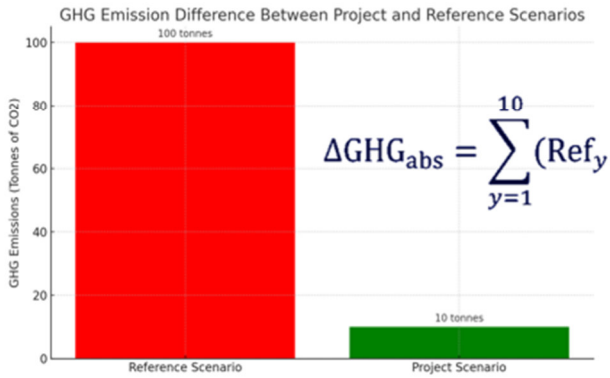
Absolute GHG Emission Avoidance

The absolute GHG emission avoidance represents the difference, over a period of 10 years, between all the emissions that would occur in the reference scenario, that is, in the absence of the proposed project, and all the emissions that occur in the project scenario.

For example, a large-scale project could avoid more than 10 million tonnes of CO2 within 10 years.

Absolute GHG Emission Avoidance:

Difference over 10 years between reference and project scenarios.



$$\Delta GHG_{abs} = \sum_{y=1}^{10} (Ref_y - Proj_y)$$

Source: Example, created with AI

Relative GHG Emission Avoidance

Relative GHG emission avoidance refers to the percentage reduction in GHG emissions compared to the reference scenario. The Relative GHG emission avoidance must be above 50% and could be more than 100 %.

Relative GHG Emission Avoidance:

Percentage reduction in GHG emissions compared to reference scenario.

$$\Delta GHG_{rel} = \frac{\Delta GHG_{abs}}{\sum_{y=1}^{10} (Ref_y)}$$

above 50%

can exceed 100%

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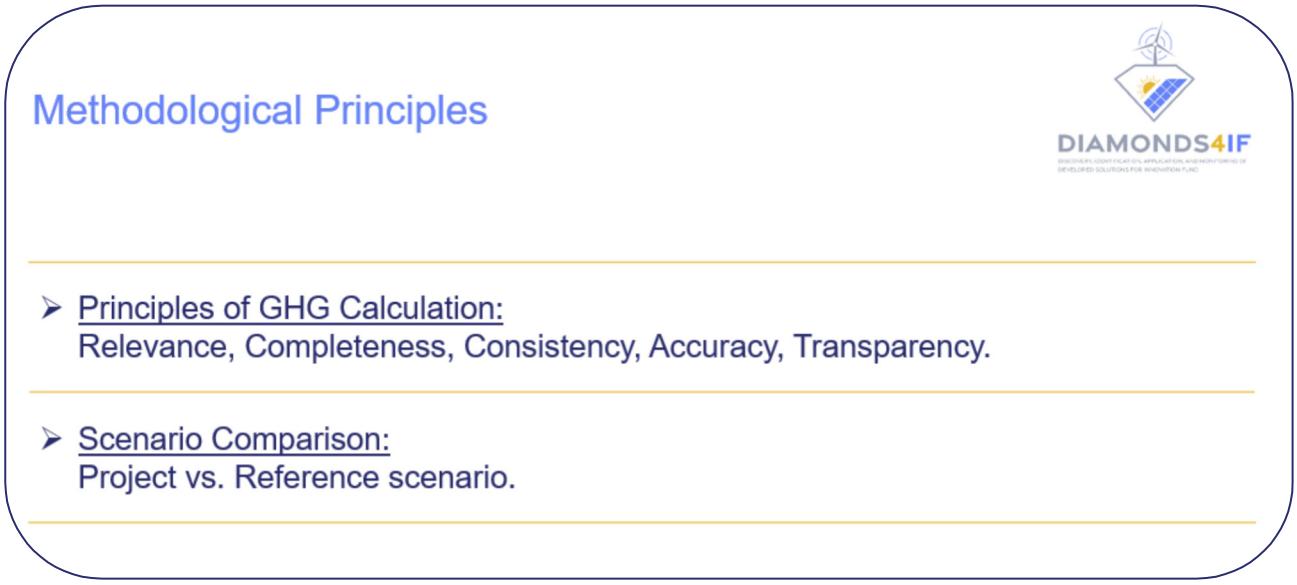
And now!

What are the essentials of the GHG Emission Avoidance methodology?

The essentials are divided in 3 categories:

1. Methodological Principles

1. **Principles of GHG Calculation**:
   Your GHG calculations should adhere to the principles of relevance, completeness, consistency, accuracy, and transparency. These principles ensure that your calculations are robust and credible.
2. **Scenario Comparison:**
   Compare your project scenario against a reference scenario that represents the current state-of-the-art. This comparison is crucial for demonstrating the impact of your project.



2. Data and Documentation

1. **Data Quality and Documentation**:
   Utilize the best available data and methods. Thoroughly document your sources, uncertainties, and limitations to ensure the credibility of your calculations.
2. **Comprehensive Emissions Coverage**:
   Include both direct and indirect emissions, while excluding any emissions outside the project's scope. This comprehensive coverage is vital for an accurate assessment.

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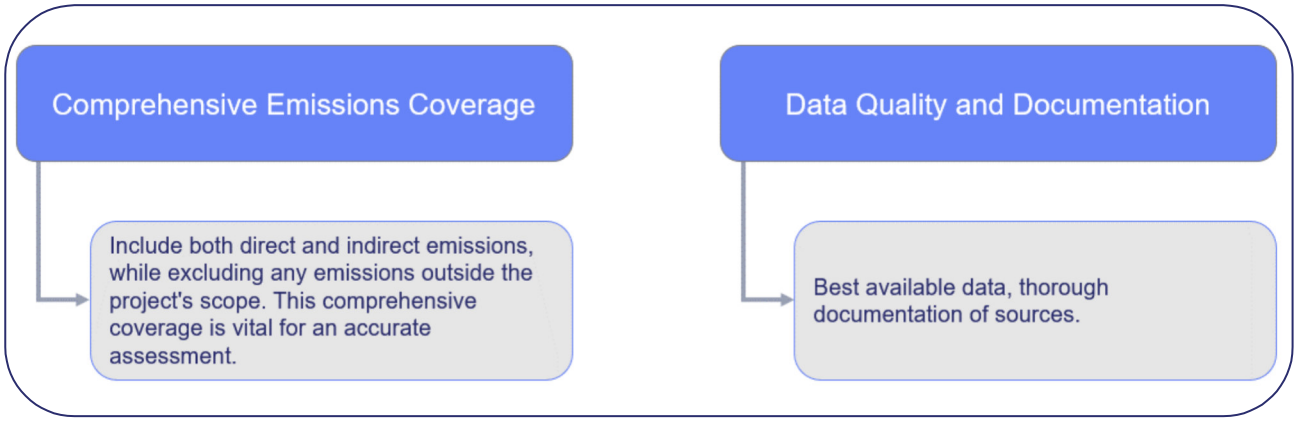
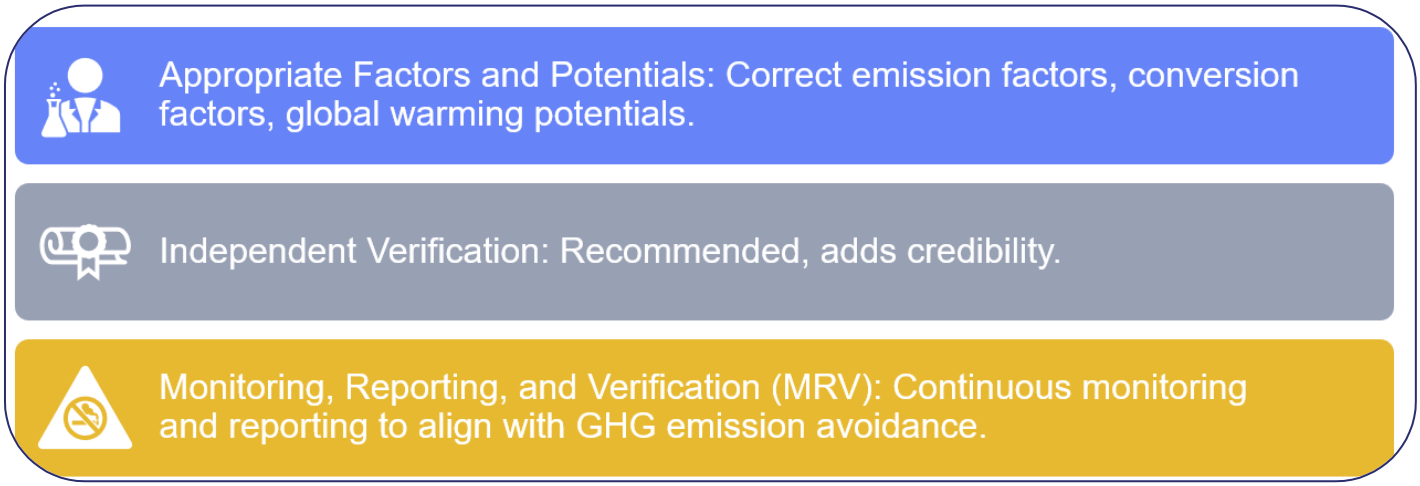


3. Verification and Monitoring

1. **Appropriate Factors and Potentials:**
   Apply the correct emission factors, conversion factors, and global warming potentials for each GHG and activity. Using appropriate factors ensures that your calculations reflect the true impact of your project.

2. **Independent Verification:**
   While not mandatory, it is strongly recommended to have your calculations verified by an independent and qualified auditor. Independent verification adds an extra layer of credibility.

3. **Monitoring, Reporting, and Verification (MRV):**
   Describe your approach for continuously monitoring and reporting your project's performance. This ongoing MRV process ensures that your project aligns with the projected GHG emission avoidance.



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Let's conclude:

To qualify for the Innovation Fund, your project must adhere to specific guidelines that enable you to accurately calculate and clearly demonstrate its effectiveness in reducing greenhouse gas emissions.

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We invite you to explore more through our Website and LinkedIn account, and don't forget to subscribe to our brand-new YouTube Channel to stay updated on the latest insights from our video tutorials and other promotional material.

Let DIAMONDS4IF be your trusted partner in navigating the Innovation Fund and unlocking the full potential of your projects. DIAMONDS4IF has been set up to explain the unique features of the Innovation Fund to you!

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