

PROJECT APPLICATIONS

Climate projects

The Fund promotes the development of projects in Spain through periodic calls for proposals which are advertised on the Ministry of Agriculture, Food and Environment website:

<http://www.magrama.gob.es/es/cambio-climatico/temas/fes-co2>

Climate Projects have proven to be examples that generate economic activity in our country, creating jobs in sectors linked to action on climate change. Today, with more than 100 approved projects to reduce emissions, this initiative undoubtedly contributes to Spain moving forward towards a green economy and low carbon society.

You can refer your proposals to the following email address:

fes-co2@magrama.es

Projects in other countries

FES-CO2 is able to make acquisitions of international carbon credits from projects developed under the Flexibility Mechanisms of the Kyoto Protocol or other international rules.

Priority is given to energy efficiency, renewable energy and waste management projects, as well as those that include a high component of technology transfer to the country where they are implemented. Additionally, in order to encourage the participation of the Spanish private sector, the Fund may associate its activity and resources to other instruments of official support for the internationalisation of Spanish companies.

You can refer your proposals to the following email address:

fes-co2@magrama.es

For more information:

<http://www.magrama.gob.es/es/cambio-climatico/temas/fes-co2>

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GOBIERNO
DE ESPAÑA

MINISTERIO
DE AGRICULTURA, ALIMENTACIÓN
Y MEDIO AMBIENTE



Oficina Española de Cambio Climático

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Carbon Fund FES-CO2



Towards an innovative, sustainable and low carbon economy.

'Green growth means promoting growth and economic development while ensuring that natural assets continue to provide resources and environmental services from which we depend for our well-being'

OECD- Green Growth Strategy



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CLIMATE FINANCE

In order to give an adequate response to the global challenge of combating climate change, the provision of appropriate tools is essential

Climate finance aims to mobilise resources, both public and private, to promote the transformation of existing production and consumption patterns towards a low carbon and climate resilient development path.

With the launch of the Carbon Fund for a Sustainable Economy (FES-CO₂) the Government of Spain has launched an efficient climate finance tool based on the acquisition of carbon credits to catalyse transformation of the Spanish production system.

FES-CO₂

FES-CO₂ promotes low carbon growth, while consolidating a sustainable and innovative economy, capable of generating jobs and wealth in sectors related to climate change action. The Fund supports the private sector in carrying out low-carbon activities, creating enabling environments that facilitate the investments required to enhance the development of clean technologies which contribute to climate change mitigation.

Through the acquisition of carbon credits linked to emissions reduction projects and initiatives, FES-CO₂ mobilises resources and removes barriers to private investment. Hence, not only does it contribute to the fulfilment of the Spanish international emissions reduction commitments, but also, FES-CO₂ catalyses the transition to a low carbon, sustainable and green economy.



An enhanced cooperation between FES-CO₂ and other instruments will support the operationalisation of an effective climate financing tool, both at the national and international level. To achieve this goal, the management and leadership of FES-CO₂ is run by an inter-ministerial committee (Fund Board), chaired by the Secretary of State for the Environment, which ensures an adequate coordination among the main ministries involved, and the participation of the Autonomous Regions of Spain.

The structure and operation of the Fund are regulated by the Royal Decree 1494/2011 of 24 October, which regulates the Carbon Fund for a Sustainable Economy.

REDUCING EMISSIONS IN SPAIN AND THE WORLD

FES-CO₂ conducts its activities primarily at the national level, although it can also buy credits in the international carbon markets.

At the national level, FES-CO₂ has opened a new field of action. The Fund ensures the viability of activities or clean technologies through the purchase of credits in the form of verified emission reductions from projects developed in Spain, facilitating its deployment and expansion, thus contributing to the reduction of domestic emissions.

Internationally, FES-CO₂ gives continuity to the participation of Spain in the carbon markets, while giving the Government greater flexibility and efficiency. In this field, it also promotes the activity of Spanish companies in developing emission reduction projects in other countries, thus contributing to the internationalisation of the Spanish private sector in areas related to the fight against climate change.

Overall, the activity promoted by FES-CO₂ supports the consolidation of a low carbon, sustainable and green economy, and contributes to the fulfilment of the Spanish international greenhouse gas emission reduction commitments.

CLIMATE PROJECTS: Paving the way to a low-carbon economy

FES-CO₂ aims to boost the activity of Spanish companies in the "non ETS" sectors (not subject to the European Union Emissions Trading Scheme, EU ETS) by purchasing verified emissions reductions resulting from the development of domestic emission reduction projects.

These emission reduction projects, or Climate Projects, are designed to promote a transformation path for the Spanish production system towards a low carbon model.

Moreover, these projects help in meeting the emissions reduction targets assumed by Spain both at the European and the international level.



Main features of the climate projects

The acquisition of carbon credits linked to emissions reduction projects in Spain through FES-CO₂ requires its adequate verification by independent entities and it has to meet certain requirements, among others:

- ✓ Be additional to those resulting from sectoral rules established in current legislation.
- ✓ Come from facilities and sectors not covered by the EU Emissions Trading Scheme.
- ✓ Be measurable and verifiable, so that they can be reflected in the national inventory of greenhouse gases.
- ✓ Be calculated in accordance with methodologies to be approved by the Fund Board.

The carbon credits acquired by the FES-CO₂ in the form of verified emissions reductions will not be valid for compliance purposes under any binding emissions trading scheme.

Provided their compliance with the established criteria, the Climate Projects are not incompatible with any other sources of financial.

The decision to purchase favours verified emission reduction projects involving the introduction of Spanish technologies, job creation and other environmental, economic and social benefits.

It also takes into account the following criteria:



- ✓ Economic efficiency, namely abatement cost.
- ✓ Emissions reduction potential.
- ✓ Financial sustainability in the long term.
- ✓ Additionality: the acquisition of verified reductions by FES-CO₂ allow the project to overcome financial, technological or other barriers, which prevent its implementation.