

Guidance for GIZ service providers on avoiding, reducing and offsetting GHG emissions

Background

As a service provider for sustainable development, GIZ ranks climate action as one of its key concerns. Limiting global warming therefore has an important role to play not only in service delivery but also in its own operations. GIZ has defined ambitious measures as part of its [Sustainability Programme 2021–2025](#), and under the [Science Based Targets initiative \(SBTi\)](#) it has set itself GHG reduction targets that are compatible with the internationally agreed 1.5°C Paris target.

In so doing, GIZ is not merely looking at its own GHG emissions but also at emissions from elsewhere in its 'value chain', because many services are not delivered by GIZ itself but by other service providers. In this area, too, it wants climate action to be ambitious.

Ambitious corporate objectives

GIZ is therefore encouraging all service providers to set ambitious GHG reduction targets for themselves, too – ideally in line with the SBTi.

Fundamental principle

As well as this, when implementing GIZ contracts all service providers should keep to the fundamental principle of first avoid, then reduce, then offset. Offsetting should be the chosen option only for those GHG emissions that cannot currently be avoided or reduced.

Avoiding and reducing GHG emissions:

The highest proportion of GHG emissions usually originates from mobility – and in particular air travel. The following are examples of steps that can be taken to avoid or significantly reduce emissions.

- Replace travel with digital formats (workshops, conferences, etc.).
- If different meetings are to be held in the same country or region, group the dates together.
- Choose the lowest-emission booking class (economy).
- Use rail travel as your first choice for short journeys.
- Use airlines with better carbon efficiency (which depends on the type of aircraft used, the average load factor and seating – the ratio of business class to economy seats). Use the atmosfair emissions calculator at www.atmosfair.de to obtain comparative figures.
- Use flight routes with better carbon efficiency (with or without stopovers, and the location of the stopovers). Use the atmosfair emissions calculator at www.atmosfair.de to obtain comparative figures.
- Use means of transport with better carbon efficiency (bus or rail rather than flights, public transport rather than a private car, etc.)

It goes without saying that potential savings other than those relating to flying should also be utilised, for example in properties: energy efficiency measures, using renewable energy sources and climate-friendly air-conditioning systems, and e-mobility.

Offsetting GHGs from flights

GHG emissions arising from air travel undertaken in the context of GIZ service contracts must be offset – if avoidance and reduction are not an option.

The practice of offsetting GHGs is repeatedly the subject of criticism. It is therefore important to apply high quality standards when calculating GHG emissions and when choosing which provider to use. The recommended standards are described below.

Calculating GHG emissions

There are various methods of calculating the GHG emissions from flights. According to the German Federal Environment Agency (UBA) the VDR standard should be used, which is employed in the [atmosfair emissions calculator](#), for example. This takes account of other impacts of aviation on the climate, not only the combustion of aviation fuel.

Standards used by carbon offset providers

The market for carbon credits is made up of a large number of providers, each with different claims as to their climate impact. The [Stiftung Allianz für Entwicklung und Klima](#) (Development and Climate Alliance) has published a [list of standards](#) that presents a good overview of high-quality carbon credits. For reasons of credibility, therefore, it is strongly recommended that these standards should be used for offsetting in the context of GIZ service contracts. GIZ strongly advises against purchasing compensation certificates from the project type of avoided deforestation as long as risks such as the lack of durability of CO₂ sequestration, imprecise determination or overestimation of deforestation scenarios, relocation of deforestation to other areas and negative social impacts cannot be ruled out.

Hochwertige Emissionszertifikate für Klimaschutz und nachhaltige Entwicklung (Stand: August 2022)	
Gold Standard for the Global Goals bzw. Gold Standard (GS4GG bzw. GS VER)	 Gold Standard for the Global Goals
Verified Carbon Standard + Climate, Community & Biodiversity Standards (VCS + CCBS)	 Verified Carbon Standard A VERRA STANDARD +  Climate, Community & Biodiversity Standards
Verified Carbon Standard + Sustainable Development Verified Impact Standard (VCS + SD VISta)	 Verified Carbon Standard A VERRA STANDARD +  Sustainable Development Verified Impact Standard
Verified Carbon Standard + Social Carbon Standard (VCS + SCS)	 Verified Carbon Standard A VERRA STANDARD +  SOCIALCARBON®
Fairtrade Climate Standard (GS VER + Fairtrade)	 FAIRTRADE CARBON CREDITS™ FAIRTRADE +  Gold Standard
Plan Vivo (PVC)	 PLAN VIVO For nature, climate and communities
Clean Development Mechanism + Gold Standard (CDM CER + GS)	 + Gold Standard

Following adoption of the new Paris Agreement rulebook in 2021, the offset market is currently in the process of change. In future it will be important that a 'corresponding adjustment' is applied to carbon credits in order to prevent double counting. GIZ's recommendations will be updated regularly.

Maximum costs of offsetting

The terms of reference include lump-sum allowances for offsetting the carbon emissions from air travel. The amount provides guidance for costing and thus also constitutes a price cap. Financial settlement is effected on submission of documentary proof in conjunction with the interim or final invoice. Only the invoice amount can be settled.

The following lump-sum rates apply, depending on the flight route:

One-way flight between Europe and other regions of the world

Category	Flight from Europe to other world region	Maximum offsetting costs ECONOMY	Maximum offsetting costs BUSINESS
I	Europe, Mediterranean, Central Asia, South Asia	EUR 50	EUR 90
II	Africa (sub-Saharan), North America, Central America	EUR 70	EUR 130
III	South America, East/South-East Asia (mainland)	EUR 80	EUR 160
IV	Pacific Islands	EUR 160	EUR 290

Source: GIZ calculations with support from Project Climate. The calculations are based on the maximum flight emissions between destinations at a maximum price of EUR 25/tCO₂e. As at November 2022.

One-way flight within individual regions

Category	Flight within specific regions	Maximum offsetting costs ECONOMY	Maximum offsetting costs BUSINESS
V	Europe, Mediterranean, Central Asia, North/Central America, South America, Asia (mainland)	EUR 40	EUR 80
VI	Africa (sub-Saharan)	EUR 60	EUR 100

Source: GIZ calculations with support from Project Climate. The calculations are based on the maximum flight emissions between destinations at a maximum price of EUR 25/tCO₂e. As at November 2022.

Examples:

Appraiser contract in Kenya

In the course of an appraiser assignment, a contractor needs to travel from Europe to Kenya (outward and return flight). No other air travel is involved. In this case a budget for offsetting is specified in the terms of reference for a booking in economy class, category II, amounting to a maximum of EUR 140 (2 x EUR 70). The actual costs are settled after travel on submission of proof.

Consulting contract in Brazil

A total of 10 flights (5 outward and 5 return) between Europe and Brazil take place as part of a consulting assignment. A lump sum amounting to a total of EUR 800 (10 x EUR 80) is specified for the international flights, for bookings in economy class, category III. In addition, 8 flights (4 outward and 4 return) take place within Brazil and to neighbouring countries. An offsetting budget of EUR 320 (8 x EUR 40) is specified in the terms of reference for these flights, in category V. The actual costs are settled after travel on submission of proof.

Cost-effectiveness requirement

The carbon offset credits should conform to the standards strongly recommended above and be procured in accordance with the cost-effectiveness requirement. Experience shows that the prices of credits are significantly lower if larger quantities are purchased. Acquiring larger quantities can also reduce the time and effort involved.

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