

Reducing WFP's emissions The role of the WFP Decarbonization Fund

A BOLD COMMITMENT

The UN system, including WFP, has committed to reducing its reported greenhouse gases by 45 percent from 2010 levels by 2030.⁽¹⁾ This means WFP needs to gradually eliminate more than 65,000 tonnes of CO_2e (CO₂ equivalent) from its annual emissions between now and 2030.⁽²⁾

To achieve this very ambitious goal, WFP is taking a series of actions in all functional areas. The decarbonization potential of WFP's operations varies significantly from one functional area to another, as WFP needs to rely on low-carbon solutions that function in deep-field locations. For instance, photovoltaic power generation is a mature technology that works well in remote locations.

Twenty eight percent of WFP's reported emissions are generated by more than 1,500 WFP premises globally, including offices, warehouses and guest houses. Many premises in deep-field locations are powered by diesel generators and can switch to solar systems or be connected to the grid. WFP estimates it can avoid 16,000 tonnes of annual CO₂e emissions from facilities by doing this.

THE INSTRUMENTS

WFP streamlines sustainability across its operations through implementing Environmental Management Systems (EMS) across our Facilities, Logistics, Procurement, and Technology functions.

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To supplement this work, WFP created the WFP Energy Efficiency Programme (EEP), in place since 2012, to provide cash grants to country offices and regional bureaux to cover part of the cost of projects that will increase energy efficiency or reduce the use of fossil fuels.

Funding for the EEP has been increased through the creation of a WFP Decarbonization Fund that collects revenue from internal carbon taxes on the use of light vehicles and commercial air travel. Contributions to the Fund are calculated at a rate of US\$ 50 per tonne of emitted CO₂e. The taxes will generate an estimated US\$ 2 million per year.

The WFP Decarbonization Fund also allows for contributions from donors and partners interested in supporting the decarbonization drive of WFP.

 ⁽¹⁾ As recommended by the International Panel on Climate Change in the 2018 <u>Special Report on Global Warming of 1.5°C</u> and endorsed as target for the UN system by the UN Chief Executives Board in the 2019 <u>Strategy for Sustainability Management in the UN System</u>.
⁽²⁾ Based on 2022 emissions data.

INVESTMENT NEEDED TO DECARBONIZE WFP PREMISES

The different functional areas of WFP require decarbonization efforts of varying degrees. Eliminating 65,000 tonnes of CO₂e from WFP's annual footprint will require dedicated investments to decarbonize operations across the organization. However, thanks to our experience in implementing WFP's Energy Efficiency Programme since 2012, we can estimate the investment needed to eliminate 16,000 tonnes of CO₂e emissions from WFP premises (e.g. through energy efficiency interventions and by replacing diesel generators with solar systems) with a certain level of accuracy.

| c to | AVERAGE EEP CONTRIBUTION ⁽³⁾ eliminate 1 tonne of CO2e | TOTAL INVESTMENT ⁽⁴⁾ needed to eliminate 16,000 tCO ₂ e from premises | INVESTMENT NEEDED PER YEAR to reach 2030 target for premises |
|---------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| | US\$ 1,080/ | US\$ 23 – 27.5 | US\$ 3.3 - 3.9 |
| | tonne | million | million per year |

Notes:

(3) Based on 2022 data. Note that the EEP covers up to 75 percent of the actual cost.

The remaining part needs to be covered by the applying office. (4) The indicated range takes into account price variations per location and inflation.

SETUP OF THE DECARBONIZATION FUND AND ENERGY EFFICIENCY PROGRAMME



HOW THE WFP ENERGY EFFICIENCY PROGRAMME WORKS

All WFP Country Offices (CO) and Regional Bureaux (RBs) are requested to submit proposals to the EEP Secretariat in HQ, which is comprised of cross-functional senior leaders and experts from across the organization. The proposed project should aim to save at least 20 tonnes of CO₂e per year. The proposals are then ranked and selected based on objective criteria. The final decision is taken by the cross-functional EEP Panel, and requesting offices need to fund at least 25 percent of the project cost while the EEP contributes up to 75 percent.

Note on carbon credits: WFP buys high-quality carbon credits from the UNFCCC to offset residual CO₂e emissions. WFP does not generate nor sell carbon credits from its own programmes (such as tree planting programmes).

EEP Selection Criteria:

- Absolute decarbonization potential (tonnes of CO₂e that can be saved)
- ✓ Relative decarbonization potential (CO₂e saved per US\$ 1000 invested)
- ✓ Return on investment (US\$ savings and resulting payback time)

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