



Offset Systems

Case studies on how different carbon offset programs operate

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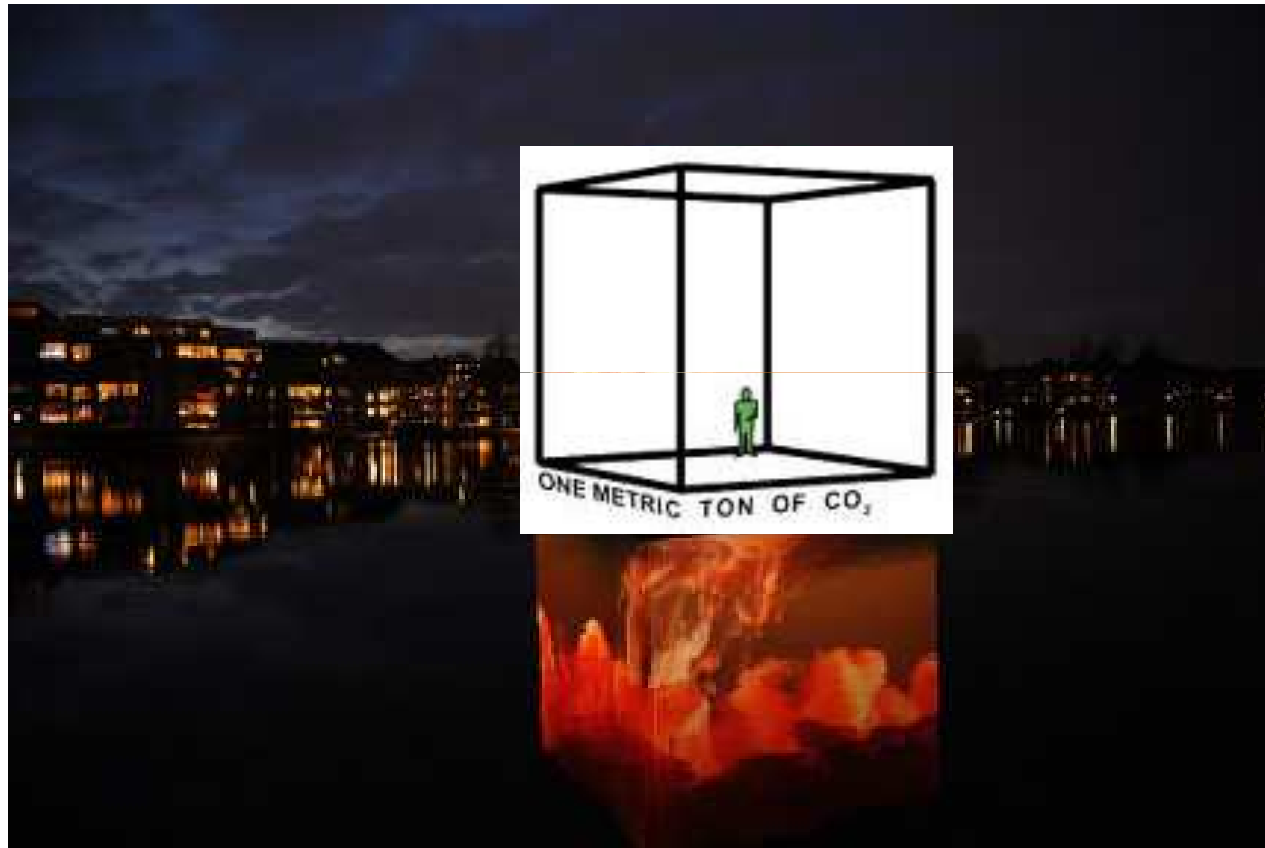
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Agenda



- 1) How do Greenhouse Gas Programs Operate
- 2) Case studies
- 3) Observations and recommendations

How much is a tonne of CO₂e?



CO₂ Cubes, Visualize a Tonner of Change, Copenhagen 2009 (Millennium ART)

Verified Carbon Standard (VCS)

VCS Program



- **Auditing:**
 - ✓ CDM DOEs
 - ✓ Auditing bodies accredited by International Accreditation Forum (IAF) members under ISO 14065
- **Methodologies:**
 - ✓ Bottom up
 - ✓ Double validation
 - ✓ Standardized methods
 - Positive lists
 - Performance benchmarks
- **Registry:**
 - ✓ Multiple registry system
 - ✓ Central project database
- **Special Features:**
 - ✓ Pioneered AFOLU
 - ✓ Developed first jurisdictional framework
 - ✓ Tagging of VCUs

UN Framework Convention on Climate Change

Clean Development Mechanism under the Kyoto Protocol



- **Auditing:**
 - ✓ CDM Accreditation Panel
 - ✓ Designated Operational Entities (DOEs)
- **Methodologies:**
 - ✓ Initial submittal by proponents with review/approval by Meth Panel
 - ✓ Mostly project-by-project determination of additionality
 - Programs of Activities (POAs)
 - Standardized baselines under development
- **Registry:**
 - ✓ CDM registry, run by UNFCCC
- **Special Features:**
 - ✓ Leading program in the world
 - ✓ AFOLU partially covered

China

China Certified Emission Reductions (CCER Program)



- **Auditing:**
 - ✓ To date 3 Chinese DOEs approved
 - ✓ Specific Chinese requirements
- **Methodologies:**
 - ✓ 52 CDM Methodologies with adjustments
 - ✓ More to be approved
- **Registry: TBD**
- **Special Features:**
 - ✓ International offsets not currently being considered
 - ✓ Unclear role for AFOLU
 - ✓ Learning by doing (7 pilots)

Australia

Carbon Farming Initiative (CFI)



- **Auditing:**
 - ✓ GHG and energy auditors (individuals) registered under National Greenhouse Energy Reporting Act of 2007
 - ✓ Exemptions for small projects
- **Methodologies:**
 - ✓ Positive list approach
 - ✓ Limited to agricultural sector
- **Registry:**
 - ✓ Administered by Australian National Registry of Emissions Units (ANREU)
- **Special Features:**
 - ✓ Linkage discussions underway with EU ETS
 - ✓ Uncertain future

Japan

Joint Crediting System (JCM)



- **Auditing:** TBD
- **Methodologies:**
 - ✓ Preference for positive list approach
 - Japanese technology
 - ✓ Agreed with each partner country
- **Registry:**
 - ✓ Each partner government creates unique registry
- **Special Features:**
 - ✓ Individualized agreement (and rules) with each partner country
 - ✓ 7 agreements to date (Bangladesh, Ethiopia, Kenya, Laos, Maldives, Mongolia, Vietnam)

California

AB32 – Global Warming Solutions Act



- **Auditing:**
 - ✓ Verification bodies accredited by California ARB
- **Methodologies:**
 - ✓ Standardized methods only
 - Positive lists (existing 4 protocols)
 - Sectoral crediting (eg, jurisdictional REDD)
 - ✓ ARB develops and approves
 - Borrows (heavily) from existing programs
- **Registry**
 - ✓ Compliance Instrument Tracking System Service (CITSS)
 - ✓ Offset Project Registries
- **Special Features:**
 - ✓ Early Action is possible
 - ✓ Linked with Quebec
 - ✓ Buyer liability

South Africa

Carbon Tax and Offset System



- **Auditing: TBD**
- **Methodologies:**
 - ✓ Considering recognition of CDM, Gold Standard and VCS
- **Registry: TBD**
- **Special Features:**
 - ✓ Likely limited to projects in South Africa
 - ✓ May support projects in southern Africa
 - ✓ Offsets complement carbon tax

Observations



- 1) No common framework
- 2) Recognition
- 3) Standardized approaches
- 4) REDD and agriculture
- 5) Innovation
- 6) Complicated

Recommendations



- 1) Plan for compatibility
- 2) Promote early action
- 3) Consider links to rural development
- 4) Don't reinvent the wheel

Questions?

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