



# ***TECHNICAL WORK PROGRAM ON OFFSETS: DISCUSSING ACTIVITIES AND DELIVERABLES***

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## ◆ Provide knowledge, guidance and tools for the development of domestic offsets programs:

### OFFSET BUILDING BLOCKS

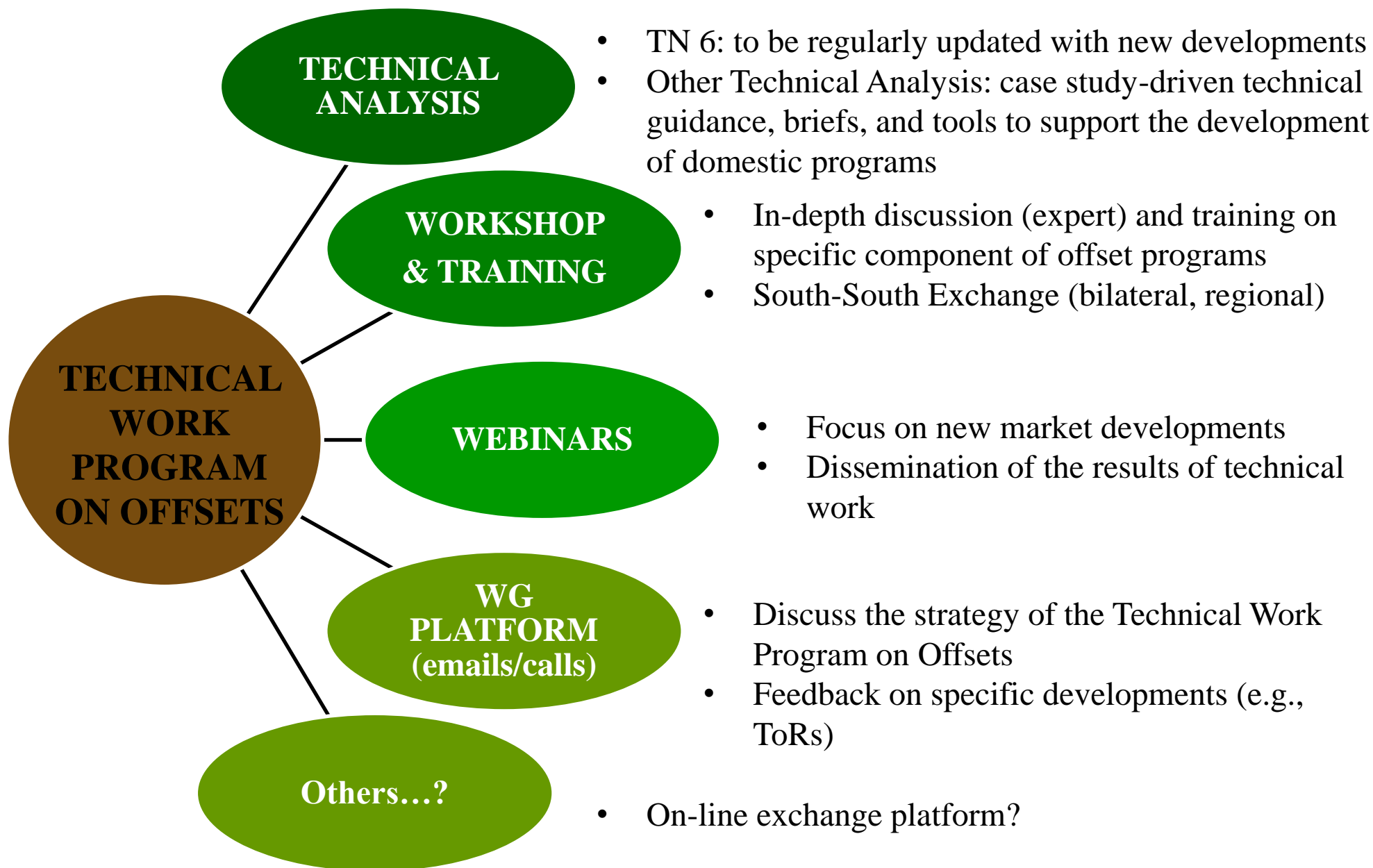
- Scope
- GHG calculation
- Project cycle
- Governance
- Data management and registry systems

### DRIVERS

- National appropriateness
  - Environmental integrity
  - Economic efficiency
  - Transparency
- } 3Cs

## ◆ General approach: bottom-up

- Work with countries – as a complement to the implementation of MRP activities
- Draw lessons and general recommendations for the benefits of other countries



## ◆ Defining the scope of offset programs

- Demand-side assessment (e.g., generated by ETS, tax)
- Supply side assessment: sectoral abatement options, sectoral priorities, eligible project activities, existing mechanisms (i.e., additionality and double counting issues)
- Challenge to address: supply-demand analysis to “size” the program and comprehend the development work

## ◆ Building upon existing infrastructure (opportunities and challenges)

- What are the existing knowledge, guidance, methodologies, tools, and technical infrastructure developed under international or other domestic programs?
- Highlight the key issues (technical, regulatory, governance, international cooperation) to consider related with using the existing infrastructure in a domestic context (e.g., registry, methodologies etc.)
- Challenge to address: get a clear and informed perspective on what can be leveraged on to design and operate a new domestic offset program

## ◆ Development of domestic offset protocols

- Review international experience for offset protocol development, including resources involved (e.g., in-house expertise vs. consultancy, local research centers)
- Identify existing offset protocols under the sector and activities of interest
- How to leverage local data and regulatory context to adapt existing protocols (e.g., baseline standardization)
- Challenge to address: identify interesting methodologies, and re-use or adapt them

## ◆ Architecture and governance of offset programs

- Identify the risks inherent to the operations of the program and the project activities (e.g., errors in GHG reductions calculation, non-permanence, price etc.)
- Determine the design elements of the program necessary to mitigate these risks (e.g., invalidation clause, replacement buffer, price management measures etc.) to be balanced with economic considerations
- Define the governance framework accordingly (e.g., EB? Third party verifiers? Stakeholder consultation?) capacity needed (e.g. development of accreditation standards)
- Challenge to address: design the architecture of the program and its governance framework in accordance with local circumstances

## ◆ Design of domestic data management and registry systems

- What are the existing registry and data management systems supporting domestic GHG mitigation activities?
- Assess different options available for the country to implement national registry and data management systems (e.g., outsourcing, own development, hybrid) in light of the technical, administrative, institutional, regulatory, and economic context
- Challenge to address: put offset programs in the bigger picture (e.g., national inventory, ETS transaction registry) to make informed choices when developing domestic registry and data management systems

## ◆ PMR Technical Work Program (cross-country support)

- Benefit from outputs of the other work streams, such as MRV and Baselines
- Focus on activities that generate domestic credits
- If overlaps, produce combined outputs to avoid duplication of efforts (e.g., data management and registry systems, market aspects)

## ◆ MRP implementation (country-specific support)

- Provide guidance for the implementation of MRP activities related to the development of domestic offset programs
- Complement MRP activities

## ◆ Other readiness initiatives and partnerships (e.g., FCPF)