



Options to use existing international offset programs in a domestic context

PMR TECHNICAL NOTE 10

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Twelfth Meeting of the Partnership Assembly
Barcelona, Spain
May 29-30, 2015

- ◆ A framework for understanding and categorizing past, present and future offset program design, implementation and operation
- ◆ In order to support countries advance domestic offset programs with full knowledge of existing experience and avoid continual re-invention

◆ The framework provides a multiple function tool box for offsets:

- Inventory of international practices



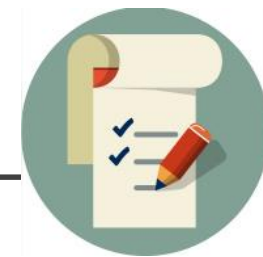
- Scenarios & design questions



- Framing questions

- Impact analysis





Administration

1. Governance & institutions
2. Project cycle & regulations
3. Costs & revenues
4. Liabilities, non-permanence risk & appeal

Infrastructure

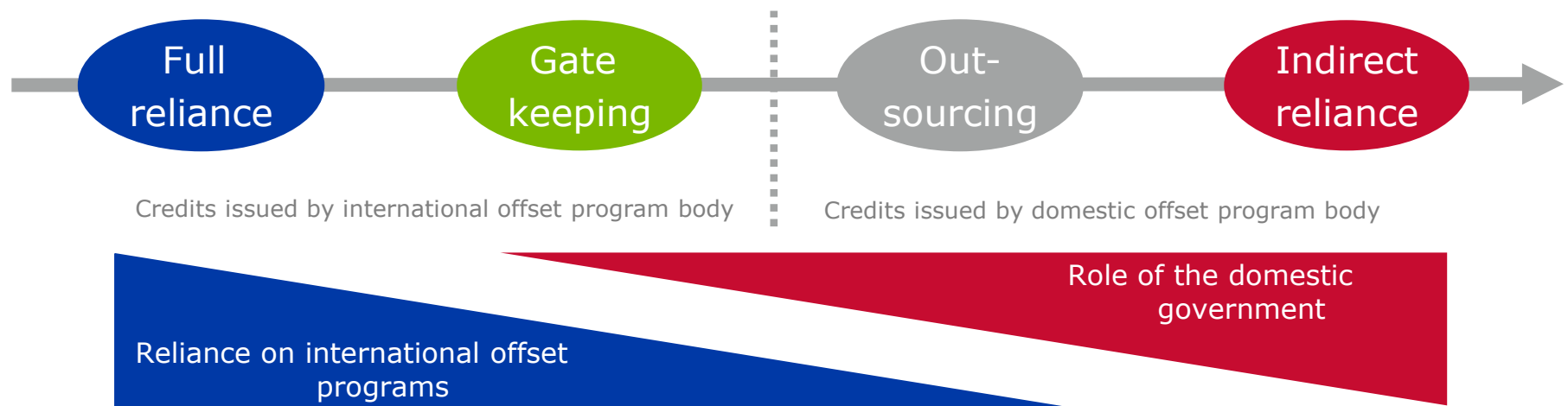
5. Scope
6. Methodologies & tools
7. Validation & verification & accreditation
8. Registry

Market

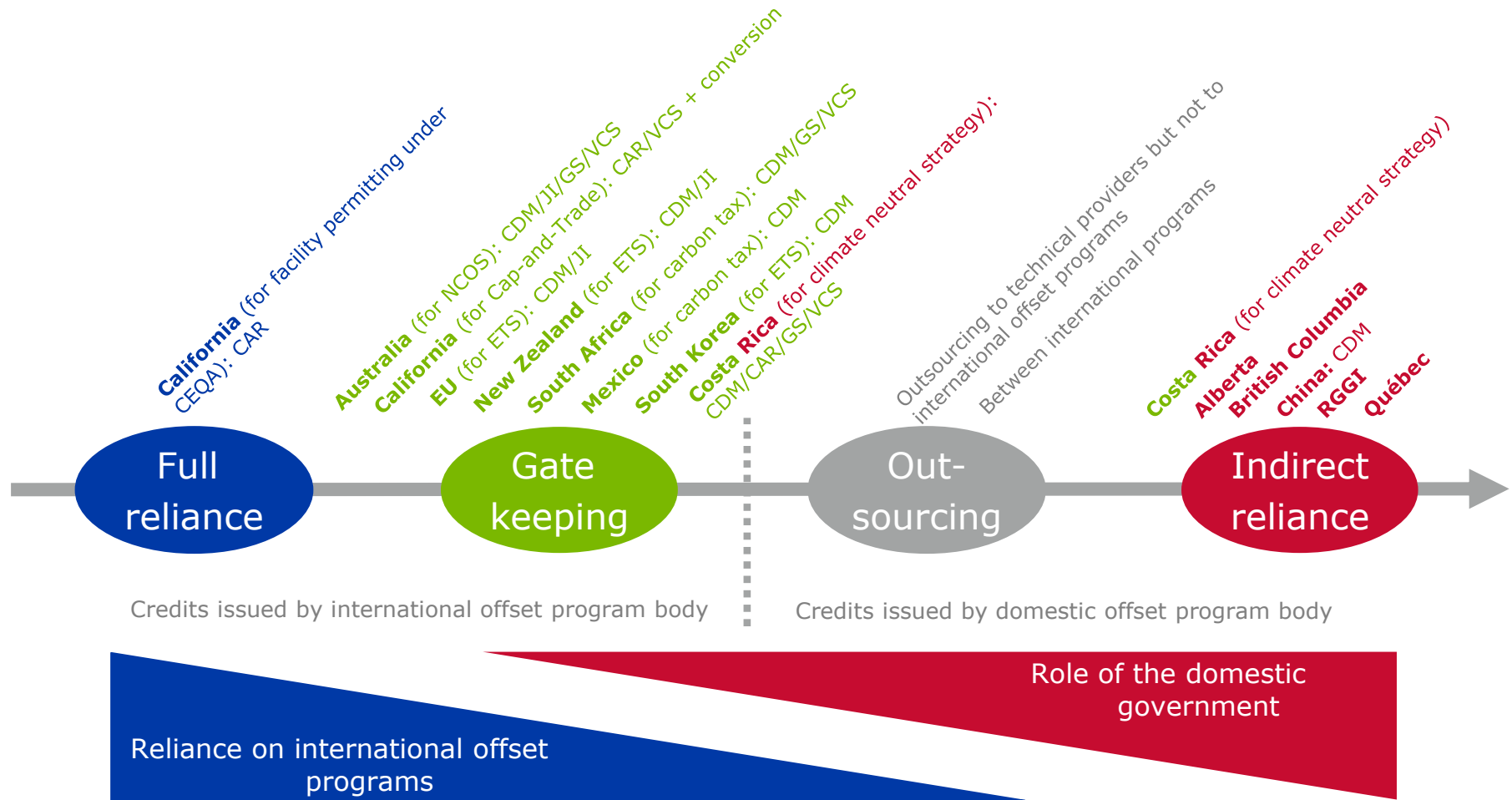
9. Market information



◆ How to leverage the international experience: four scenarios



Scenarios & design questions





◆ Which scenario to go for?

- Impacts: institutions, regulations, technical and operational capacity, costs and revenues
- Objectives, drivers and constraints for the use of offsets

Impacts



- ◆ Choice of the international offset program(s) accepted under the domestic offset program ● ●
- ◆ Use of add-on labels: reliance on offset programs only or introduction of additional compulsory add-on labels ● ● ●
- ◆ Type of registry: reliance on international registry or allow transfers to domestic registry ● ●
- ◆ Level of outsourcing of the domestic registry ● ● ●
- ◆ Type of domestic restrictions and check for compliance ●
- ◆ Type of appeal procedure for the domestic decision: no procedure or additional domestic procedure ●
- ◆ Choice of the modules to outsource and the level of outsourcing (full or partial) ●

Objectives, drivers and constraints for the use of offsets



- ◆ Capacity building and gradual development of the program
- ◆ Support of abatement efforts in selected sectors
- ◆ Past experiences and existing capacities
- ◆ Size of the targeted market
- ◆ Time pressure
- ◆ Budget constraints
- ◆ Credibility
- ◆ Enforcement and oversight, interdependence
- ◆ Interaction with other regulations
- ◆ Preparation for tighter abatement measures domestically
- ◆ Cost containment mechanisms under another domestic policy
- ◆ Preparation for integration into an international carbon market

◆ Application of the framework

- Deeper dive on some of the key design questions (e.g. registries, customization of existing programs, costs)
- Fine-tuning of the framework based on detailed case-studies of countries and programs

Thank You

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