Agenda

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Our solutions

- Carbon Credit Solutions
- Renewable Energy Solutions
- Sustainability Advisory
- Green Finance
Developing solutions worldwide
Our Past: 10 years of Creating Global Impact

- 80 million+ tCO₂e saved
- 500+ projects developed in renewables, forestry, agriculture, industry and households
- 100,000+ GWh renewable energy produced
- 15,000+ km² saved forest from deforestation
- 55,000+ km² land protected or restored
- 70,000 jobs created in developing countries
- $10 bn+ clean energy investments mobilised in emerging markets
Guesswork & disclaimers
Some assumptions for the analysis

- CORSIA may coexist in parallel to Paris Agreement despite potential conflicts/uncertainties (at least for some time)
- CDM credits would be eligible under CORSIA
- International voluntary standards similar to the CDM may be eligible
- Bilateral mechanisms and domestic offsets are excluded from the assessment (for the sake of simplification & demand/supply considerations)
Overview of carbon standards
Brief history of compliance & voluntary markets

CDM: 1,700 CERs
JI: 800 mio ERUs
Voluntary market: 330 mio VERs
Voluntary carbon standard landscape may look complex but...
... market share and standing reduce the choices

ICROA endorsed standards represent 95% of voluntary markets (incl. CDM/JI)
...which is confirmed by

...California

Recognized standards under Californian Offset Scheme
Eligible standards under planned carbon tax scheme in South Africa
Standards approved by Australian National Carbon Offset Standard (in addition to Australian Carbon Credit Units, ACCUs)
Focus of analysis

Most relevant standards for comparative analysis due to market share and geographical scope (Symbiotic system with some interdependencies)
Comparative analysis
Offsets integrity principles*

*Compilation based ICROA code of best practices, Australia’s National Carbon Offset Standard and principles of leading standards:

- Additional
- Conservative
- Permanent
- Measurable
- Transparent
- Address Leakage
- Independently audited
- Registered
- Unique (no double counting)
Lessons learned and special features: CDM/JI

CDM:

- Most comprehensive body of methodologies, covering all sectors (with limited success in forestry/land-use sector)
- Continuous learning on baseline and additionality over last 15 years
- Incl. innovative approaches, e.g. positive lists, performance standards and benchmarks, as part of standardised baseline framework (SBL) and micro-scale additionality
- Strict accreditation process for auditors (with largest pool of auditors)
- Well positioned as starting point for future mechanisms under Article 6 of the Paris Agreement (incl. future provisions to avoid double counting)
- Scaling-up potential through programatic approaches (PoAs) and SBLs

JI:

- Additionality under JI Track 1 questionable
- Important lessons learned from JI regarding double accounting avoidance at national level
Lessons learned and special features: VCS

- Represents 50% of voluntary market volume as of 2015
- “Cracked the nut” in land-use and forestry sector (including REDD+) through smart approaches to permanence, leakage, etc.
- Pioneering work on jurisdictional REDD and nested REDD approaches
- Relies on CDM methodologies (for non land-use sectors) to a large extent but has a number of own methodologies in place
- Interesting “tagging” approach, allowing for combination with additional standards (e.g. CCBS, Social Carbon, Crown Standard)
- Robust additionality rules, including standardised approaches
- Relies on CDM and ANSI accreditation framework for auditors
- Delegates more responsibility to auditors (e.g. in project cycle and methodology approvals)
- Includes double counting provisions but more clarity is needed on the treatment of voluntary standards under the Paris Agreement
Lessons learned and special features: Gold Standard

• Represents 19% of voluntary market volume as of 2015
• Can be used as an “add-on” standard to CDM/JI
• Focus on sustainable development aspects in addition to GHG reduction aspects (mainly through social and environmental safeguards and sustainable development monitoring provisions that go beyond the CDM)
• Relies on the CDM for most methodologies but has a number of own methodologies
• “Cracked the nut” on projects with significant co-benefits (e.g. cookstoves, water filters), driven by buyers’ demand in the “gourmet” market segment
• Relies on CDM accreditation framework for auditors
Challenges / open questions

Double counting / double claiming:
• Except for JI, double claiming was already a challenge (albeit minor in terms of scale) under Kyoto (VERs vs AAUs)

Timing
• Complexity of Paris may demand more time to agree on transparency and accounting and market mechanisms under Article 6
Thank you

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