

Domestic Offsetting Projects in Belgium



Federal Ministry of Environment, Nature Conservation, Building and Nuclear Safety, Berlin

June 19 2015

 The Gold Standard®



Belgium has 4 Ministers for the Environment

- 3 Regions (Wallonia, Flanders and Brussels) + federal level (but with very limited prerogatives)
- Each region is responsible for its climate policy to reach the national and EU targets for non EU ETS sectors
- Domestic offsetting mechanisms are being discussed at regional level as a cost-effective way to decrease CO₂ emissions



Wallonia conducted an exploratory study in 2012 with the support of CO2logic, CDC Climat and PWC

Context

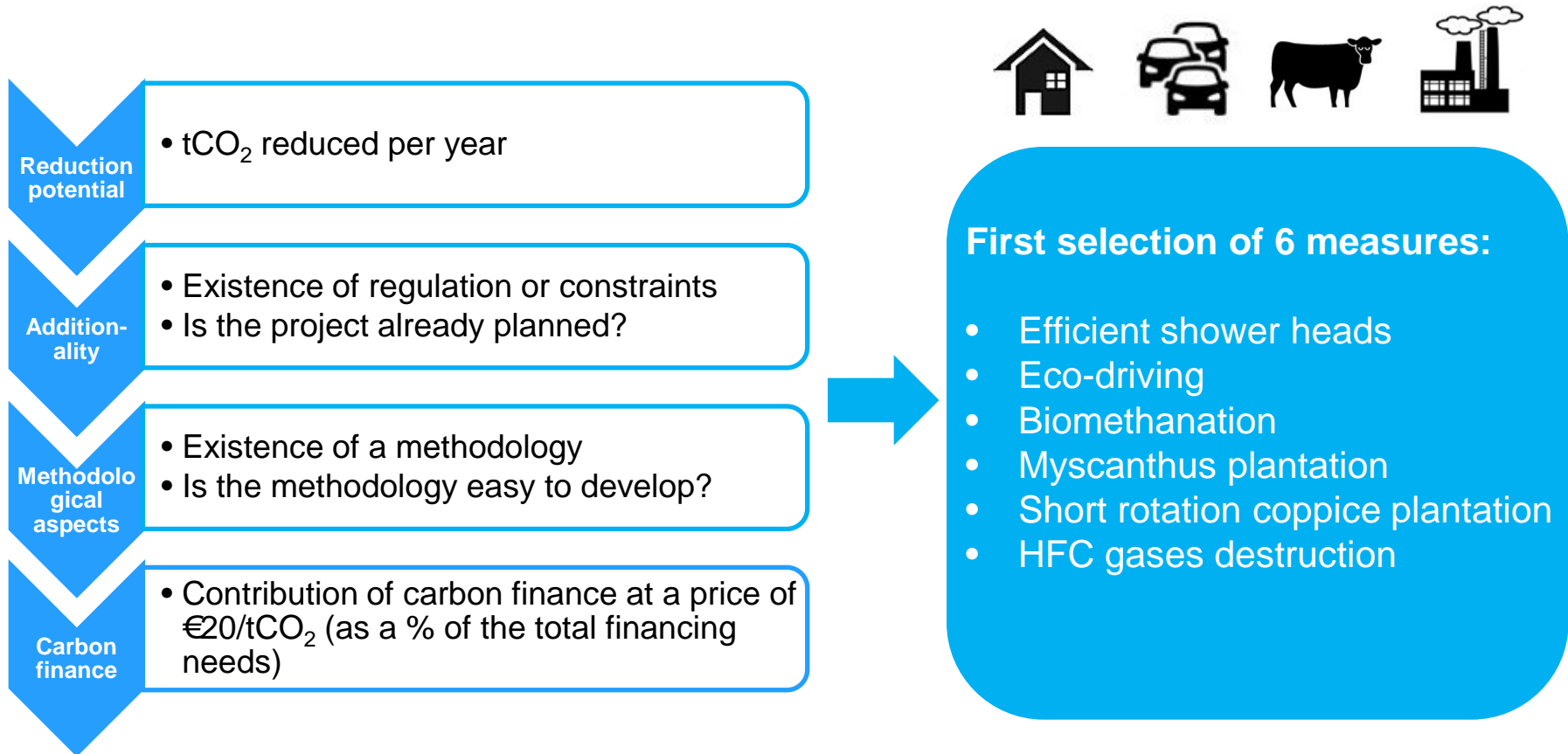
- Will to reduce CO₂ emissions in non EU ETS sectors (+/- 50% of total emissions)
- Will to introduce market-based instruments into the regional climate change strategy
- Will to send a price signal on GHG emissions in sectors with fastest growing emissions (incl. transport, housing and cooling)

Objectives




- Identify potential projects (conceptual part)
- Identify methodologies for most promising projects



The exploratory study screened 35 measures in 4 sectors using 4 assessment criteria



3 measures offer both great reduction potential and easy implementation

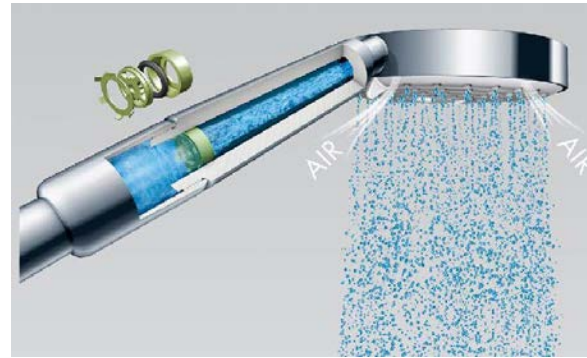
	Measure	Potential	Ease of implementation and associated costs	Most suitable demand side system
	Shower heads	25,000 tCO ₂ /year for 100,000 units	Easy to monitor and low purchase price Possibility to develop a PoA	Purchase by government/ Voluntary market
	Eco-driving lessons for professional drivers	120,000 tCO ₂ /year	Training costs may be partially reimbursed by carbon credits Methodology still to be developed	Purchase by government
	Biomethanation of porcine and bovine farms' effluents	53,000 tCO ₂ e (CH ₄) and 240,000 tCO ₂ (fuel oil replacement) by using effluents of 50% or the Walloon livestock	Strong demand from livestock farmers Existing CDM Methodology	Purchase by government



Together these 3 measures generate 0.5 MtCO₂e of yearly savings for a limited initial invest. of €9 mio



- Training for 2,000 professional drivers
- Investment of €870,000
- Paybacktime <1 year
- A 25% subsidy would be enough for this measure to be rapidly adopted by the market
- Huge co-benefits in road safety



- €3 mio. to equip 90,000 social homes
- Huge economical co-benefits for tenants (annual savings comprised between €110 and €220)





- €5 mio. subsidies to decrease payback time to an acceptable level
- Co-benefits in waste management



1% of Walloon emissions can be avoided with just 3 projects

Government purchase and voluntary frameworks are the two best systems to create demand rapidly

	Article 24a	Government purchases options	Voluntary frameworks
	<ul style="list-style-type: none"> • Cost-effective solution for ETS installations 	<ul style="list-style-type: none"> • Easily adaptable to the walloon region needs and targeting desirable sectors • Could be financed through AEA sales 	<ul style="list-style-type: none"> • Easy to implement • Existing methodologies or under development methodologies: CDM, Gold Standard, VCS. • Credits can be sold both nationally or internationally.
	<ul style="list-style-type: none"> • Framework not yet established by the European Commission • It doesn't depend on the Walloon Region • Risk of competition between countries with lower reduction cost 	<ul style="list-style-type: none"> • High implementation cost (calculation methodologies development, templates, etc;) 	<ul style="list-style-type: none"> • Restriction in Gold Standard projects' eligibility • AAU cancellation still needs to be ensured by the competent authority

Flanders also started with an exploratory study

- a) Exploratory study 2011
- b) Funding of local climate actions plan

2011 study recommended to implement a pilot scheme

Context

- Implementation of revised EU ETS directive
- Policy relevance of article 24a EU ETS directive

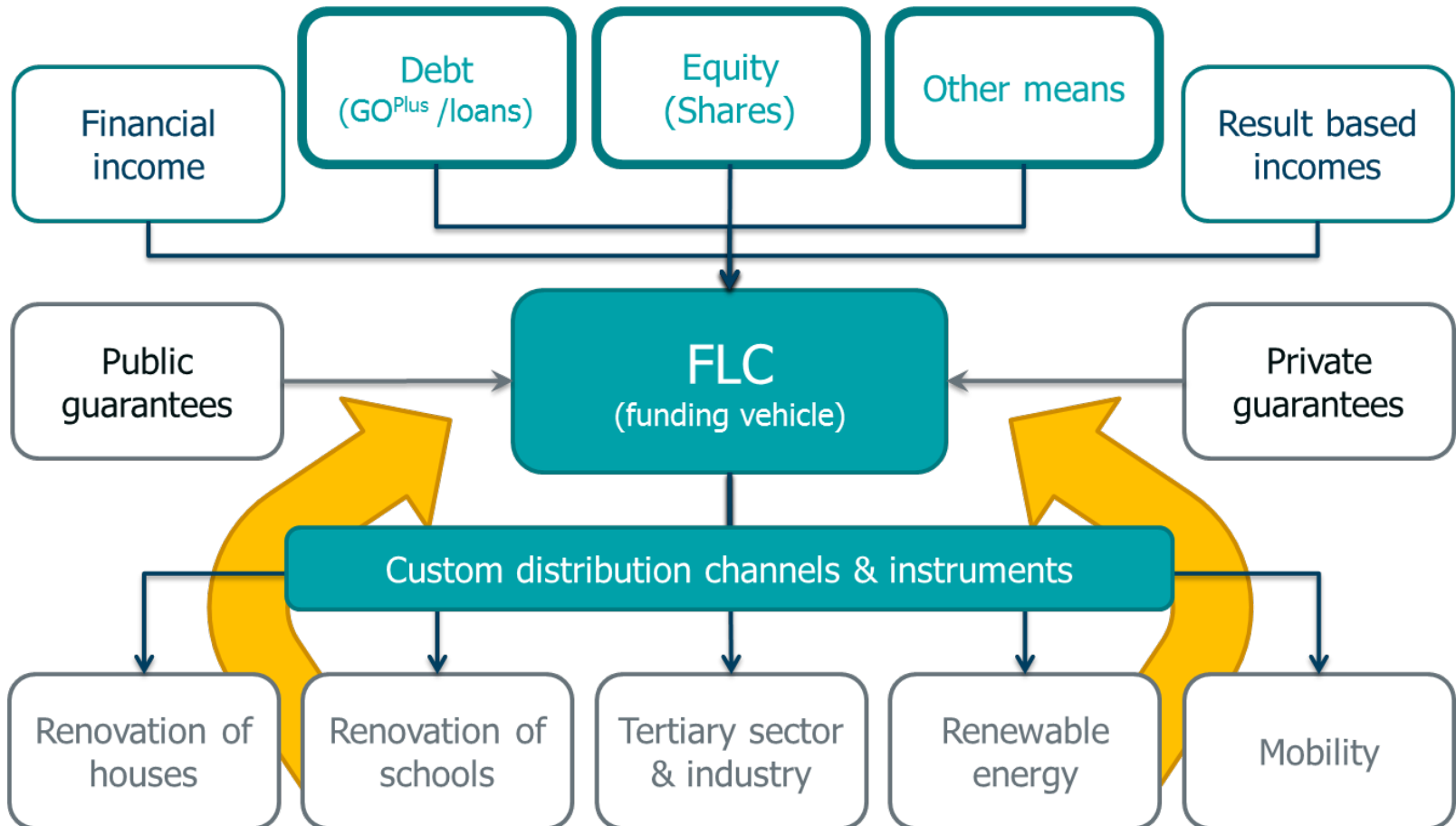
Key aspects

- Risk and risk response options
- Cost-benefit analysis (direct costs & benefits from a public authority perspective)
- DOP potential (targeted towards can costs be covered by potential)
- Biomethane for heating purposes
- Biomethane for transport
- Electric vehicles infrastructure

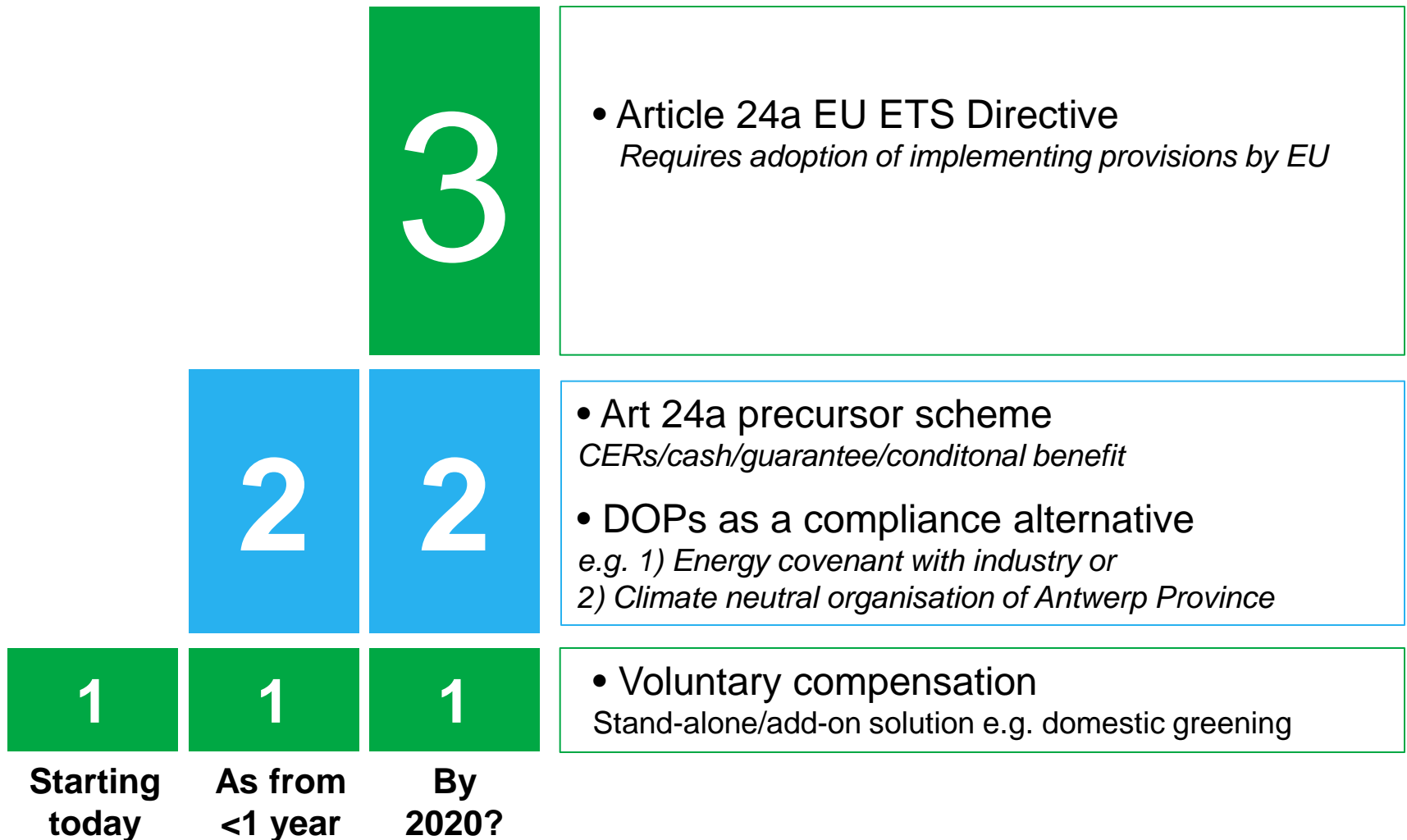
Recommandation

- It is relevant to pilot a DOP scheme to assess DOP potential in practice

Funding of local climate change action plans as the way forward (1/2)



Funding of local climate change action plans as the way forward (2/2)





Thank you for your attention!

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