

Overview of WRI GHG Protocol Policy and Action Standard

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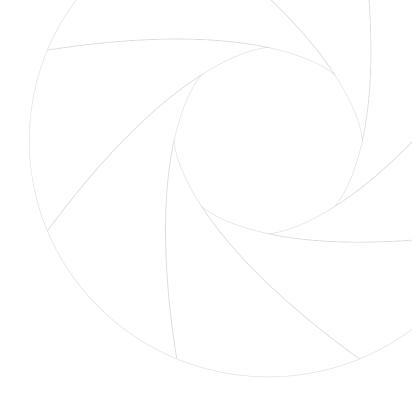




Agenda

- Introduction to MRV
- Introduction to WRI, GHG Protocol, and Mitigation Accounting Project
- Overview of GHG Protocol Policy and Action Standard
- Q & A





Introduction to MRV



Different types of MRV

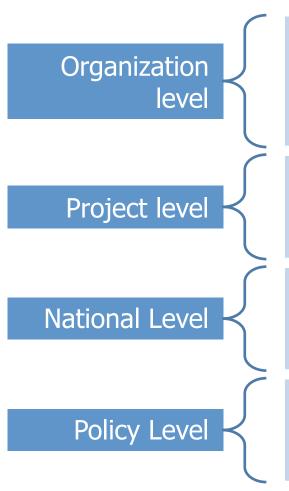
- M easurement / Monitoring (or estimation)
- R eporting could be national and/or international
- v erification includes both national QA/QC and/or international oversight

- MRV of GHG emissions
- MRV of GHG emissions reductions

- MRV of non-GHG impacts
- MRV of implementation
- MRV of support



Guidelines exist for different levels of MRV



- MRV of GHG emissions at factory, facility, building or company level under existing voluntary or compliance schemes (e.g. EU-ETS, Australian ETS, NZ-ETS, JV-ETS)
- MRV practices to quantify and account for emission reductions under carbon offset programmes/ schemes (e.g. CDM, VCS)
- MRV systems relating to national inventories of parties to the UNFCCC using the most recent IPCC guidance and guidelines
- No existing guidelines, this is a gap that the GHGP Policy and Action standard is attempting to fill.

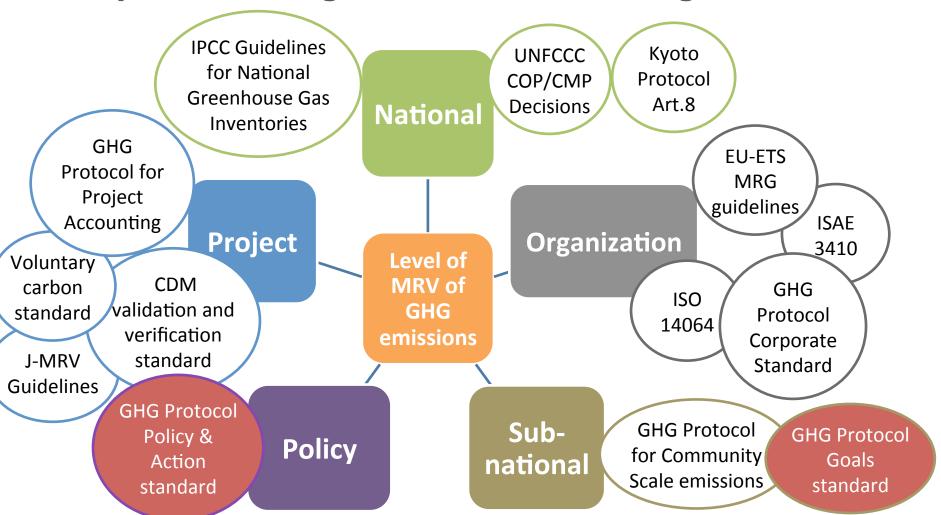


GHG-related information requirements for NAMAs

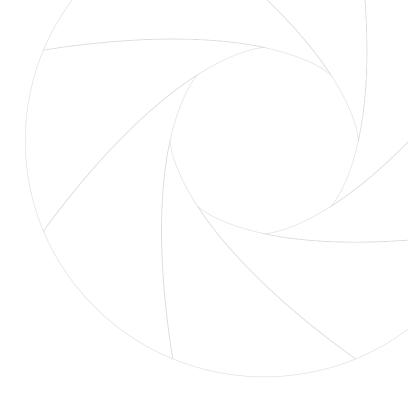
Forum	Objective	Required information related to emissions reductions	
Domestic	Achieve sustainable development goals; inform domestic decision-making and planning processes; respond to stakeholder demand	Based on objectives of country; could include estimated emissions reductions from each NAMA (ex-ante and/or ex-post)	
NAMA Facility	Attract climate finance	Estimated emissions reductions of NAMA (ex-ante)	
UNFCCC NAMA Registry	Attract climate finance and gain international recognition for efforts	Estimated emissions reductions of each NAMA (ex-ante)	
UNFCCC BUR	International reporting on efforts to address climate change	Estimated emissions reductions of each NAMA (ex-ante and expost)	



Examples of existing standards/ methodologies







Introduction to WRI, GHG Protocol, and GHG Protocol Mitigation Accounting Project



The Greenhouse Gas Protocol

The GHG Protocol was launched in 1998 by





- Multi-stakeholder partnership of businesses, NGOs, governments and others
- Enable corporate and government measurement and management practices that lead to a low carbon economy



Two GHG Protocol standards under development

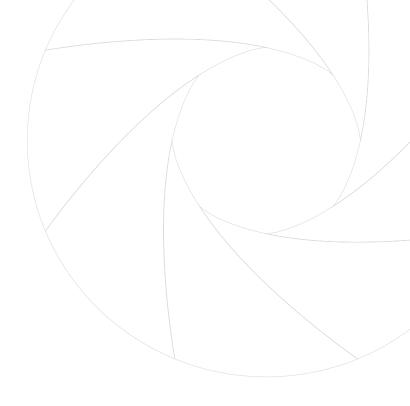
Policies and Actions Standard

- How to quantify GHG effects from specific policies and actions
- Examples: increased energy efficiency, increased renewable energy, efficiency standards, trading programs etc.

Mitigation Goals Standard

- How to track and report progress toward national or sub-national GHG reduction goals
- Examples: Reductions from a base year; Reductions from a baseline scenario; Reductions in emissions intensity; Reductions to a fixed level; carbon neutrality, etc.

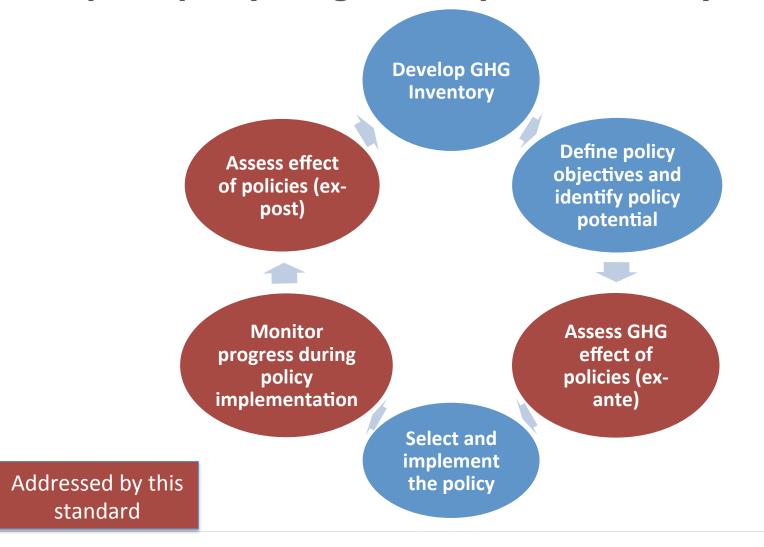




GHG Protocol *Policy and Action Standard*



Example of policy design and implementation cycle





Purpose of the *Policy and Action Standard*

- Provide standardized approaches and guidance on how to quantify GHG effects of policies and actions
- Guide users in answering the following questions:
 - Before implementation: What effect is a given policy or action likely to have on GHG emissions?
 - <u>During implementation</u>: How to track progress of a policy or action?
 - After implementation: What effect has a given policy or action had on GHG emissions?
- The focus is on attributing changes in GHG emissions to specific policies and actions, rather than other factors that affect emissions



Objectives of quantifying GHG effects of policies/actions

- <u>Inform mitigation strategies</u> based on expected GHG effects of policies/actions (ex-ante)
- <u>Track effectiveness and performance of policies/actions (expost)</u>
- Report on GHG effects of policies/actions
- <u>Facilitate financial support</u> for mitigation actions (e.g., NAMAs) based on quantification of GHG reductions



Scope

- Voluntary
- Policy-neutral
- Internationally applicable
- General guidance applicable to all sectors and types of policies/actions (overarching principles, concepts, and procedures)
- Will include sector-specific and policy-specific examples and guidance (e.g., energy supply, buildings, transportation, AFOLU, waste)



Types of policies and actions

- Regulations and standards
- Taxes and charges
- Tradable permits
- Voluntary agreements
- Subsides and incentives
- Information instruments
- R&D policies
- Public procurement policies
- Infrastructure programs
- Deployment of new products or technologies
- Financing and investment



Table of contents and sequence of steps

- 1. Introduction
- 2. Objectives
- 3. Key concepts, overview of steps, and summary of requirements
- 4. Accounting and reporting principles
- 5. Defining the policy or action
- 6. Mapping the causal chain
- 7. Defining the GHG assessment boundary
- 8. Quantifying baseline emissions
- 9. Quantifying GHG effects ex-ante
- 10. Quantifying GHG effects ex-post
- 11. Collecting data and monitoring performance over time
- 12. Assessing uncertainty
- 13. Verification
- 14. Reporting



Tiered approach

The standard presents a range of methods depending on users' objectives

Tier	Level of accuracy/ completeness	GHG assessment boundary	Quantification method	Data sources
1	Lowest	Less complete	Less accurate methods (e.g., simplified approaches)	Less accurate data (e.g., global average data, estimated data)
2	Intermediate	Intermediate completeness	Intermediate accuracy	Mix of data sources and quality (e.g., country-specific data)
3	Highest	Most complete	Most accurate methods (e.g., complex approaches)	Most accurate data (e.g., source-specific data)



Mapping the causal chain

- Key step: identifying potential effects of the policy or action
- Types of effects to consider
 - Intended effects and unintended effects
 - In-jurisdiction effects and out-of-jurisdiction effects
 - Short-term effects and long-term effects
 - GHG-increasing effects and GHG-decreasing effects



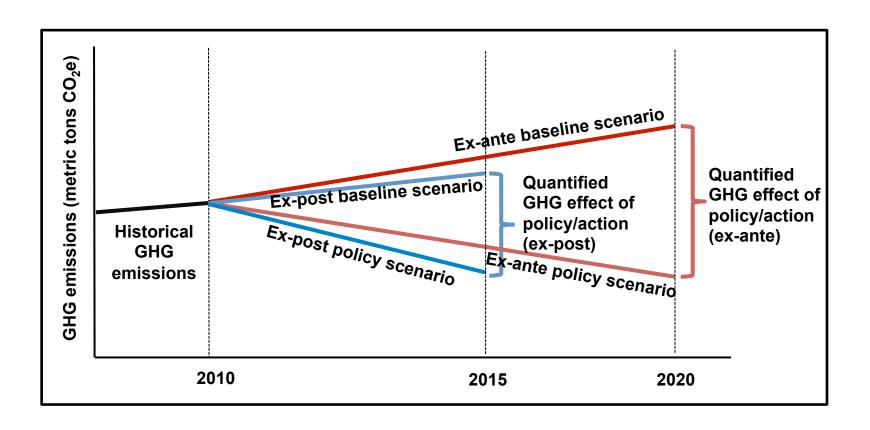
Example- Types of effects

- Example: U.S. vehicle fuel efficiency standards
- Intended effects
 - CO₂/km → so emissions →
- Unintended effects (e.g., rebound effects)
 - \$/km driven → so km driven ↑ so emissions ↑
- In-boundary effects
 - Emissions in the U.S.
- Out-of-boundary effects (e.g., leakage and spillover effects)
 - Emissions in Canada
- Short-term effects
 - Cars more efficient, but using same technology
- Long-term effects
 - New vehicle technologies developed





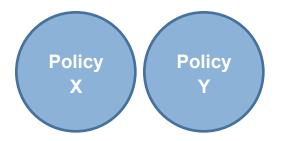
Ex-ante and ex-post assessment





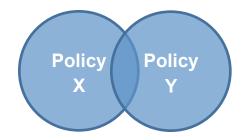
Policy interactions

Independent



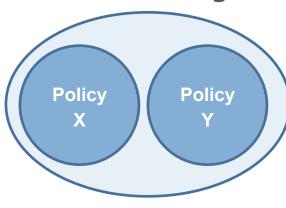
Combined effect = X + Y

Overlapping



Combined effect < X + Y

Reinforcing



Combined effect > X + Y



To download the draft standards:

www.ghgprotocol.org/mitigation-accounting





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