

Project Developer Forum Ltd.

Europe: ++49 171 279 8223 office@pd-forum.net www.pd-forum.net

CHAIRPERSON: Sven Kolmetz

sven.kolmetz@pd-forum.net

CO VICE CHAIRPERSONS: Philipp Hauser (also BoD) Philipp.HAUSER@pd-forum.net Christiaan Vrolijk

christiaanvrolijk@gmail.com

Board Member: **Rachel Child**

Rachel.child@pd-forum.net

To environmental.strategy@dft.gov.uk

From Sven Kolmetz Date 24 September 2019

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Subject PDF Comments on Carbon offsetting in transport

consultation

Dear Madam, Sir,

The Project Developer Forum (PD Forum) is a collaborative association and collective voice of companies and practitioners that are developing and financing greenhouse gas emission reduction projects worldwide. Our members work on a global scale and evaluate opportunities to deploy climate financing and carbon market instruments to accelerate investments for greenhouse gas mitigation and sustainable development.

The PD Forum welcomes the call for evidence from the UK Department for Transport on Carbon offsetting in transport, and the potential introduction of such requirements for ticketed transport. We would like to respond to some of the specific questions raised or the generic sections of the consultations below.

Section 1 Understanding carbon emissions from your journey.

Many businesses are already reporting their emissions footprint from transport, and in many cases offsetting these emissions to become carbon neutral. There is no lack of information available for such actions to be taken voluntarily using default emission factors.

Section 2 The role of carbon offsetting

Q5. Do you agree that offsetting journeys could play a role in tackling emissions, whilst transport is decarbonised? Can you provide evidence supporting your view?

Offsetting, particularly compulsory offsetting, introduces a price on emissions, and therefore helps drive down emissions. The scientific literature is clear that pricing of externalities is an important tool to drive down those externalities.

Q6. Do you agree with the offsetting principles outlined in the 'good quality' criteria within the UK's Environmental Reporting Guidelines? Are there any further elements - for instance with respect to geographic origin, eligible project types or the date that the offset was generated - that should be included to further strengthen the environmental integrity of any future scheme?

The UK's Environmental Reporting Guidelines do outline the principles of good quality offsetting. The International Carbon Reduction & Offset Alliance (ICROA) represents good quality offsetting in practise. Therefore, the PD Forum recommends that this practical scheme is used.

Q7. How should any future carbon offsetting scheme correspond with existing schemes under which carbon emissions are accounted for, or reported, such as CORSIA or the EU ETS?

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The rules of the various schemes are evolving – and in the case of CORSIA, still being set – therefore, the offsetting scheme should continue to follow ICROA / the good quality guidance, and be based on existing and new national, international and voluntary carbon standards.

Q8. What reporting requirements would be needed for any future scheme? How can these be designed so as to minimise additional burdens? Who should be in scope of requirements?

As much as possible, existing reporting practices should be followed to minimise burdens, in the same way as we would recommend the use of existing carbon standards for the offsets.

Q9. How should any future carbon offsetting scheme be designed in order to support the objectives and requirements of the Paris Agreement, including the requirement to avoid the double counting of emission reductions?

No new carbon offsetting scheme needs to be designed. Rather we encourage the UK government to accept the existing national, international and voluntary carbon standards under ICROA / that comply with the good quality guidance, including CDM, Gold Standard, VCS and for example the UK Woodland Carbon Code.

The potential issue of double counting is already being considered in detail by the carbon markets and will evolve further as and when the rules under the Paris Agreement and CORSIA become clearer. It is not practical to pre-empt the outcome of the international negotiations at this stage. However, we believe it will be essential for the UK government to decide whether not only the sector but also the offsets would need to be counted towards its NDC under Paris.

In our opinion, the carbon price signal from the offsets is critical to encouraging emission reductions and a drive to carbon neutral transport. However, it is not essential that the offsets are accounted for under the UK's NDC. Allowing more flexibility for the offsets would enable to wider array of projects to be supported, that may have greater sustainable development impacts in the host country.

Section 3 Offsetting ticketed travel

Q10. What examples currently exist to offset emissions from travel at the point where tickets are purchased? Can you provide examples of where this works well and where it does not?

PD Forum members are developing offset projects worldwide, we are not generally involved at the level of ticketed transport. However, we do know that demand for offsets from this sector is highly limited, and principally restricted to individuals offsetting their emissions from national and international flights. Business voluntarily offsetting their footprint from any transport-related emissions is many times greater in our experience than that done by individuals.

Section 4 Offsetting carbon emissions from non-ticketed road transport

Q15. Do you have views or evidence on the provision of carbon emissions information for non-ticketed travel? Do you have views or evidence on offsetting non-ticketed travel?

The PD Forum would encourage treating non-ticketed transport the same, to avoid introducing a potential competitive disadvantage.

We hope that our input is of value to future discussions.

Kind regards,

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Dr. Sven Kolmetz Chairman, Project Developer Forum