

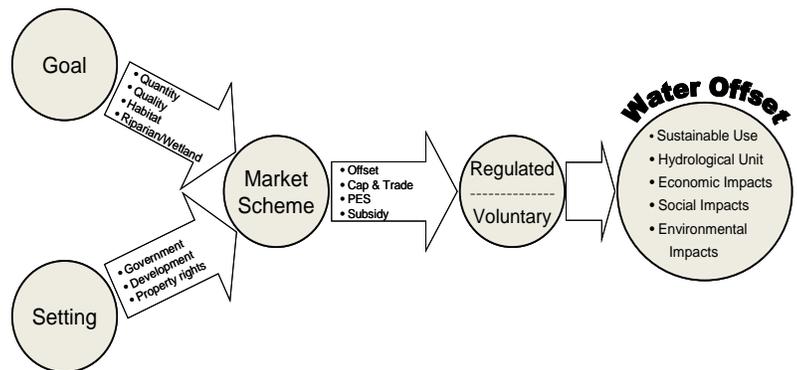
# REVIEW OF MARKET-BASED SCHEMES FOR A WATER OFFSET PROGRAM FRAMEWORK

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**Project Costs:**    **\$35,000**

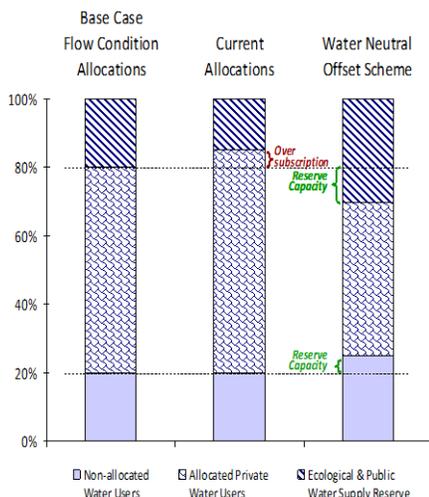
**Project Completion:**    **June 2008 - May 2009**

The Water Footprint Working Group (WFWG), through the World Wildlife Fund, contracted the U.S. consulting firms of Kieser & Associates, LLC (Michigan), Environmental Banc & Exchange (Maryland) and Westwater Research (Idaho) to conduct a review of market-based environmental programs for applicability in water offset program development. Such water offset programs (or “schemes”), which do not currently exist in practice, center on the ‘water footprint’ concept. A water footprint serves as the measure of a water user’s ecological impact associated with: a) the consumptive use of rainwater (green water); b) the consumptive use of water withdrawn from groundwater or surface water (blue water); and, c) the creation of polluted water (grey water). Achieving a condition that addresses these impacts in the context of a water footprint ultimately includes the optimization and minimization of water use, as well as offsets to address irreducible impacts not directly achievable in the user’s operations. K&A examined existing program applications relevant to implementing a water offset pilot project and recommendations for instituting an offset framework in a voluntary or regulatory setting.



The analysis focused on relevant attributes of programmatic structures in existing water markets (both voluntary and regulated) that seek to achieve environmental goals or outcomes. Such goals are consistent with the vision for

addressing the ecological impacts of a water footprint; i.e., environmental outcomes associated with a quantitative view of these irreducible impacts. Environmental markets or market-like schemes can therefore serve as templates for the structure and function of a potential offset program.



The outcome of an initial case study review of over 150 international programs resulted in K&A framework recommendations for pilot project considerations, operational and implementation elements and program challenges. Framework recommendations were provided in the context of both voluntary and regulatory schemes. These were followed by suggested elements for a water offset program, and finally next steps for a implementing a pilot offset project. (See: <http://kieser-associates.com/uploaded/Final%20Water%20Offset%20Report%205-19-2009.pdf>.)