



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

We did this review to evaluate the extent to which the U.S. Environmental Protection Agency's (EPA's) Greenhouse Gas (GHG) voluntary programs can significantly reduce future GHG emissions, and whether their data is complete and reliable.

## Background

Concerns about human-caused global warming and the potential impacts of GHG emissions were first raised in the 1960s. In 1992, the United States signed and Congress ratified the United Nations Framework Convention on Climate Change Treaty in Rio de Janeiro. The "Rio" Treaty requires the United States to implement programs to reduce GHG emissions. The United States decided to achieve this goal through implementing voluntary programs.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:  
[www.epa.gov/oig/reports/2008/20080723-08-P-0206.pdf](http://www.epa.gov/oig/reports/2008/20080723-08-P-0206.pdf)

## ***Voluntary Greenhouse Gas Reduction Programs Have Limited Potential***

### **What We Found**

The set of voluntary GHG programs we reviewed use outreach efforts to recruit program partners and reduce GHG emissions. We found the greatest barriers to participation were the perceived emission reduction costs and reporting requirements. We also found that it is unlikely these voluntary programs can reduce more than 19 percent of the projected 2010 GHG emissions for their industry sectors. From this, we determined that if EPA wishes to reduce GHG emissions beyond this point, it needs to consider additional policy options.

We recognize that data collection can be challenging for voluntary programs. However, 8 of the 11 programs in our review showed weaknesses in their current data collection and reporting systems – caused by limited, unverified, and anonymous data reporting. These systems are neither transparent nor verifiable, and are limited by anonymous reporting and use of third party industry data. Further, none of the programs' memoranda of understanding establish consequences for failure to report, and generally provided little assurance that firms are actively participating in the program. EPA has been a leader in developing protocols to produce estimates for greenhouse gas sources and sinks categories in the United States. However, data uncertainty has continued to be a concern the voluntary programs have struggled to address. As a result, the reported accomplishments of these voluntary programs may be based on unreliable data.

### **What We Recommend**

We recommend EPA review emission reduction cost analyses annually and update as needed. For programs that recruit and enroll participants, EPA should adopt written partnership agreements that require stronger data quality provisions and details on how Confidential Business Information (CBI) will be handled. For programs that do not recruit and enroll participants, EPA should develop a policy or procedure that specifically identifies how these voluntary GHG programs link their reported outcomes to program efforts.

The Agency concurred with most of the recommendations, but expressed concern with developing emission reduction cost analyses for programs that serve multiple industry sectors, and about their ability to safeguard CBI data. The OIG believes that developing analyses for individual sectors and specifying in partnership agreements how CBI data will be handled will meet the intent of these recommendations.