



# PRESS NOTICE

**STRICT EMBARGO: Until 00.01hrs GMT, Thursday 18 June 2009**

## **Revised VCS requirements clear the way for the creation of new asset classes**

**Thursday 18 June 2009 – LONDON / WASHINGTON** – The Voluntary Carbon Standard Association (VCSA) has today launched revised requirements for developers using the VCS double approval process, opening the way for a new wave of innovation regarding project-based methodologies and performance standard approaches for crediting greenhouse gas emission reduction and removal projects.

The revised requirements provide comprehensive instructions for project developers, validators and verifiers on the VCS double approval process, the mechanism by which new methodologies, methodology revisions, additionality performance standards and modules/tools can be approved under the VCS Program. The process requires two independent assessments by different validators, as well as a public consultation, and is designed to be practical while maintaining rigor and transparency.

The new requirements aim to:

- **Provide additional clarity and practical detail** on compliance with the VCS double approval process and build on high-level information on the process and procedures contained in the VCS Program documentation.
- **Expand development of new methodologies** and other key building blocks such as sector benchmark approaches, performance standards and new tools/modules. They also include specific requirements for elements such as market leakage and non-permanence risk assessments for agriculture, forestry and other land use (AFOLU) projects, including REDD. Significantly, the new requirements will enable the development of new asset classes, in particular forestry, soil and agricultural sector carbon credits.
- **Streamline key steps** involved in the double approval process and provide further clarity on requirements for specific elements that are subject to the process. It is expected that the new document will improve understanding and speed the process for methodology element developers, project proponents, validators and verifiers, and other parties using the double approval process. It will also open the way for a wider range of new and unique methodologies that can guarantee high quality emissions reductions.

**David Antonioli, CEO of the VCS Association (VCSA)** says: “The revised double approval process will foster the development of new asset classes within a framework that maintains transparency and environmental integrity. It has real potential to unlock whole new ways of crediting emission reduction activities, which will be important for the forestry and agricultural sectors. Importantly, this bottom up approach should encourage innovation, both in the development of project-based and benchmark approaches.”

**Ray Victorine, Director Conservation Finance Program, Wildlife Conservation Society**, says: “The streamlined process will be great for the development and approval of new projects and project types, allowing project developers to bring projects on line to achieve emission reductions as well as broader biodiversity conservation and sustainable development goals.”

**Ellysar Baroudy, Fund Manager for the World Bank's BioCarbon Fund**, says: "The new clarification of the VCS validation process for new methodologies will be key in promoting emerging areas of the carbon market, such as REDD and soil carbon. Methodologies validated through the rigorous VCS process will send a strong message to the carbon market about the possibility of promoting REDD and soil carbon projects and reduce the risk perception in these areas. The BioCarbon Fund will follow the VCS standards to validate its REDD and soil carbon methodologies and projects, including a REDD project in Madagascar and a soil carbon project in Kenya."

**Robert O'Sullivan, Executive Director North America for Climate Focus**, says: "I am very happy that the new VCS requirements for the double approval process have been released. The flexibility within the procedures is particularly welcome, and I look forward to moving our REDD methodology modules through the system to gain VCS approval."

**Leslie Durschinger, Founder and Managing Director of Terra Global Capital**, says: "Through the revision of the double approval process, the VCS has continued to show its commitment to building streamlined processes that support project developers but maintain the transparency and integrity of the VCS guidelines."

The new requirements are the product of an extensive consultation process and provide further clarification on the VCS double approval process. For example, the document explains in detail the process developers need to follow, the role of each of the two validators and the requirements for assessment reports. The document also introduces some changes to ensure integrity and transparency in the process, such as specific eligibility criteria for validators and the requirement for a global stakeholder consultation phase at the start of the process.

Following the successful launch of its ground-breaking global registry system earlier this year, the new guidelines represent the latest announcement by VCSA designed to drive greater innovation and growth in the voluntary carbon market.

According to the Ecosystem Marketplace and New Energy Finance, VCS credits (VCUs) account for 48 per cent of all 'over the counter' (OTC) volume in the voluntary carbon market totaling 54m tCO<sub>2</sub>e and worth an estimated USD\$396.7million in 2008.

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For technical details of the VCS visit: [www.v-c-s.org](http://www.v-c-s.org) or email [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org)

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## **NOTES TO EDITORS**

### **Technical Notes & Definitions:**

**Double Approval Process:** The process by which new methodologies, methodology revisions, additionality performance standards, tools/modules, Improved Forest Management (IFM) and Reduced Emissions from Deforestation and Degradation (REDD) market leakage assessments and AFOLU non-permanence risk assessments are approved under the VCS Program.

**The VCS global registry system**, which includes the VCS Project Database, ensures all carbon credits generated under the VCS – Voluntary Carbon Units (VCUs) – can be tracked from issuance to retirement. It is a key part of the VCS Program which ensures that all VCUs are real, measurable, additional, permanent, independently verified, unique and traceable.

### **About the Voluntary Carbon Standard (VCS)**

- The VCS is a global benchmark standard for voluntary greenhouse gas emission reductions and removals. It offers confidence to buyers, sellers and other stakeholders in the growing voluntary carbon market.
- Rules for validation and verification under the VCS Program are as robust as those of the Kyoto Protocol's Clean Development Mechanism (CDM), while reducing costs for participants.
- The VCS was developed by The Climate Group, the International Emissions Trading Association (IETA), the World Business Council for Sustainable Development (WBCSD) and a range of business, government and non-government organizations.

- The VCS is already the most popular single standard for voluntary offset projects according to businesses working in the voluntary carbon market and represents 48 per cent of the \$396.7million 'over the counter' (OTC) voluntary carbon market. ("State of the Voluntary Carbon Markets 2009", Ecosystem Marketplace and New Carbon Finance).
- Full technical details of the new Voluntary Carbon Standard rules are published and available at [www.v-c-s.org](http://www.v-c-s.org)