



PRESS RELEASE

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Global standards report acknowledges new VCS forestry rules as “thorough and innovative”

10 March 2007, GENEVA – A Stockholm Environment Institute and Tricorona report released today ‘*A Comparison of Carbon Offset Standards*’ acknowledges new forestry rules available under the Voluntary Carbon Standard (VCS) Program as “thorough and innovative”.

The report says the VCS is “the first carbon standard to cover all the major land use activities, whether forestry or agriculture related, under a single verification framework”. Most importantly, the report recognizes the VCS addresses “many permanence and additionality concerns” that have previously held back the take up of such projects in global carbon markets.

Edwin Aalders, CEO of the VCS Association says: “Until now most forestry and land-use projects have been excluded from international carbon markets. They have been left out of the EU Emissions Trading Scheme, made complex in the CDM, and not covered by the Gold Standard because of concerns over the measurability and performance of such projects. Robust new rules introduced under the Voluntary Carbon Standard late last year have now changed all that.”

The rigorous and innovative VCS approach to agriculture, forestry and other land use projects will boost confidence in the voluntary market, drive much greater investment in viable sectors previously excluded from regulated carbon markets and demonstrate to policy makers that such offset projects not only generate real environmental benefits, but can be credibly accounted for under future regulatory schemes.

Toby Janson-Smith, Director of Ecosystem Service Investments for Conservation International, a leading environmental NGO, stated: “The new VCS rules will, for the first time, allow market participants to invest with confidence in forestry projects that not only generate robust carbon credits but also have the potential to deliver unique poverty alleviation and biodiversity conservation benefits. As policymakers around the world work to incorporate reduced emissions from deforestation and other land-based activities into emerging US and UNFCCC policy frameworks they should look to the VCS as a model.”

Mark Kenber, Chair of the VCS Association says: “When we developed the VCS we recognized that we could not wait for the politics to catch up. The VCS provides much needed certainty for a sector representing a quarter of global greenhouse gas emissions and characterised by large scale, cost effective offset projects.”

Comparing all the major international carbon standards, the SEI report also shows the offset market could become less fragmented as major buyers migrate towards fewer popular standards, following the launch of the VCS last year. It notes that the VCS (2007) “is broadly supported by the carbon offset industry... and might very well establish itself as the



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main standard for voluntary offsets.” This finding is supported by existing market research which shows that the VCS is already the most popular voluntary offset standard for business¹.

The report discusses the flexible approach of the VCS Program in balancing low transaction costs favoured by buyers and consumers with assured, high quality environmental outcomes. It identifies relative advantages of the VCS approach in bringing transaction costs down by de-centralising tasks to qualified international experts.

Edwin Aalders says: “The VCS compares extremely favourably to other standards in the SEI report and is recognised for its innovation and growing potential as a leading global standard for the voluntary market. We will keep the Program under regular review to ensure the VCS continues to meet the highest international standards of environmental integrity.”

The VCS Association estimates that US \$1 billion of VCS credits will be traded in 2010.

NOTES TO EDITORS

For further information and interviews with VCSA representatives: please contact Josh Harris on + 44 (0)20 7960 2979 or jharris@v-c-s.org

Full details of the VCS are available at www.v-c-s.org

About the Voluntary Carbon Standard (VCS)

- The VCS is a global benchmark standard for project-based voluntary greenhouse gas emission reductions and removals. It offers confidence to buyers, sellers and other stakeholders in the growing voluntary carbon market.
- The VCS has been 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.
- Rules for certification under the VCS will be as robust as those of the Kyoto Protocol’s Clean Development Mechanism (CDM), while attempting reduce the costs for participants.

¹ “State of the Voluntary Carbon Markets 2007”, Ecosystem Marketplace and New Carbon Finance