



# The Voluntary Carbon Standard: Unlocking Land-Based Carbon Value

**Workshop On Options For Carbon Financing  
To Support Peatland Management  
Pekanbaru, Riau Province, Indonesia  
4 October 2010**

# Overview

- 1) Carbon Standard vs. GHG Program vs. Registries
- 2) The Voluntary Carbon Standard
- 3) The VCS Agriculture, Forestry and Other Land Use (AFOLU) Program
- 4) AFOLU Developments



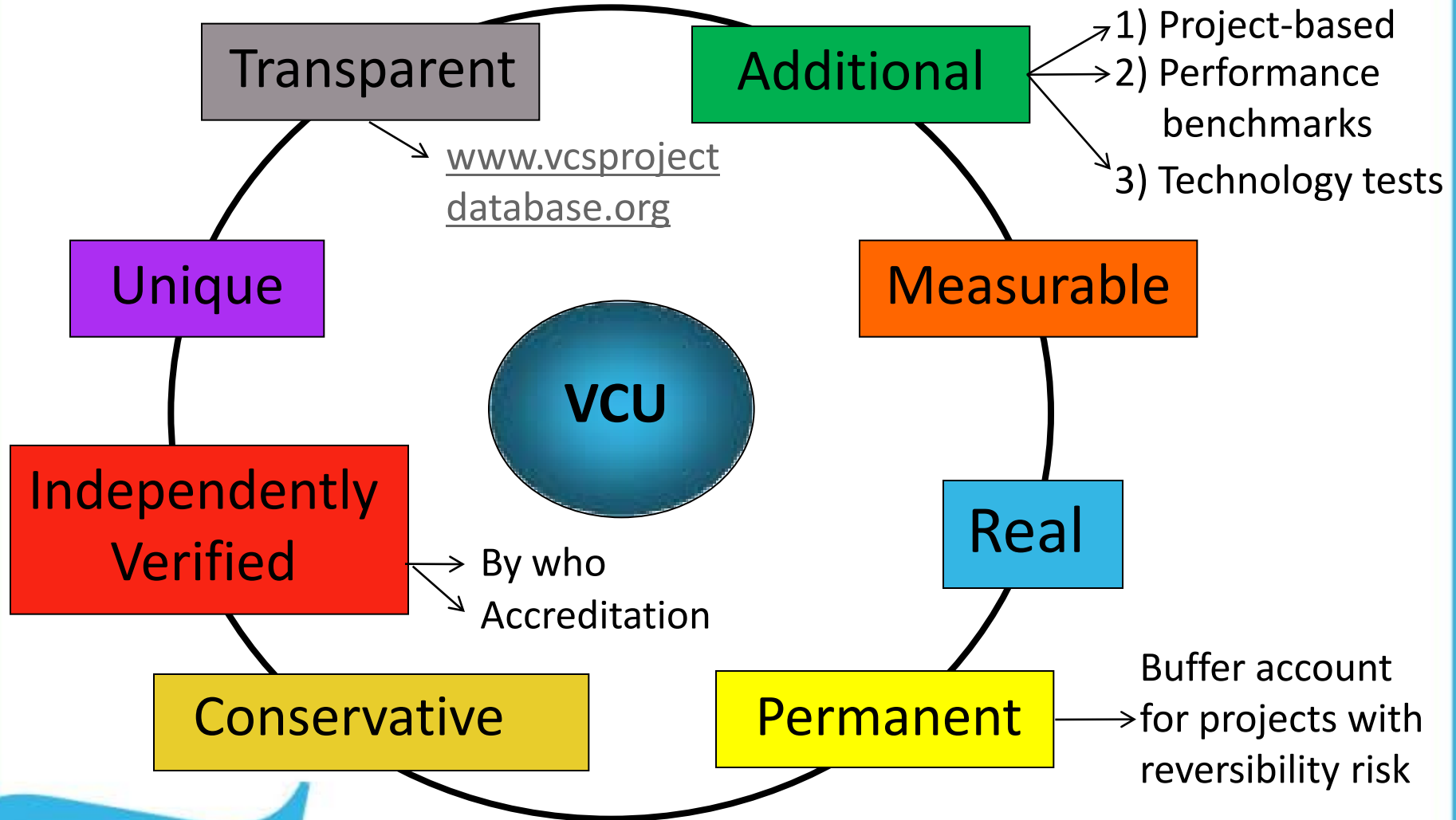
# 1) Carbon Standard vs. GHG Program vs. Registries

- Key differences between aspects of developing and holding carbon offsets
  - ✓ **Standard** provides the overall guidance; for instance:
    - Additionality requirements
    - Criteria for offsets (e.g., ex-post vs. ex-ante, permanence, third party verification)
  - ✓ **Program** provides the full toolkit; for instance:
    - Process for developing new methodologies/protocols
    - Systems for accrediting validators/verifiers
  - ✓ **Registry** provides the tracking system
    - Avoid double selling
    - Transparency

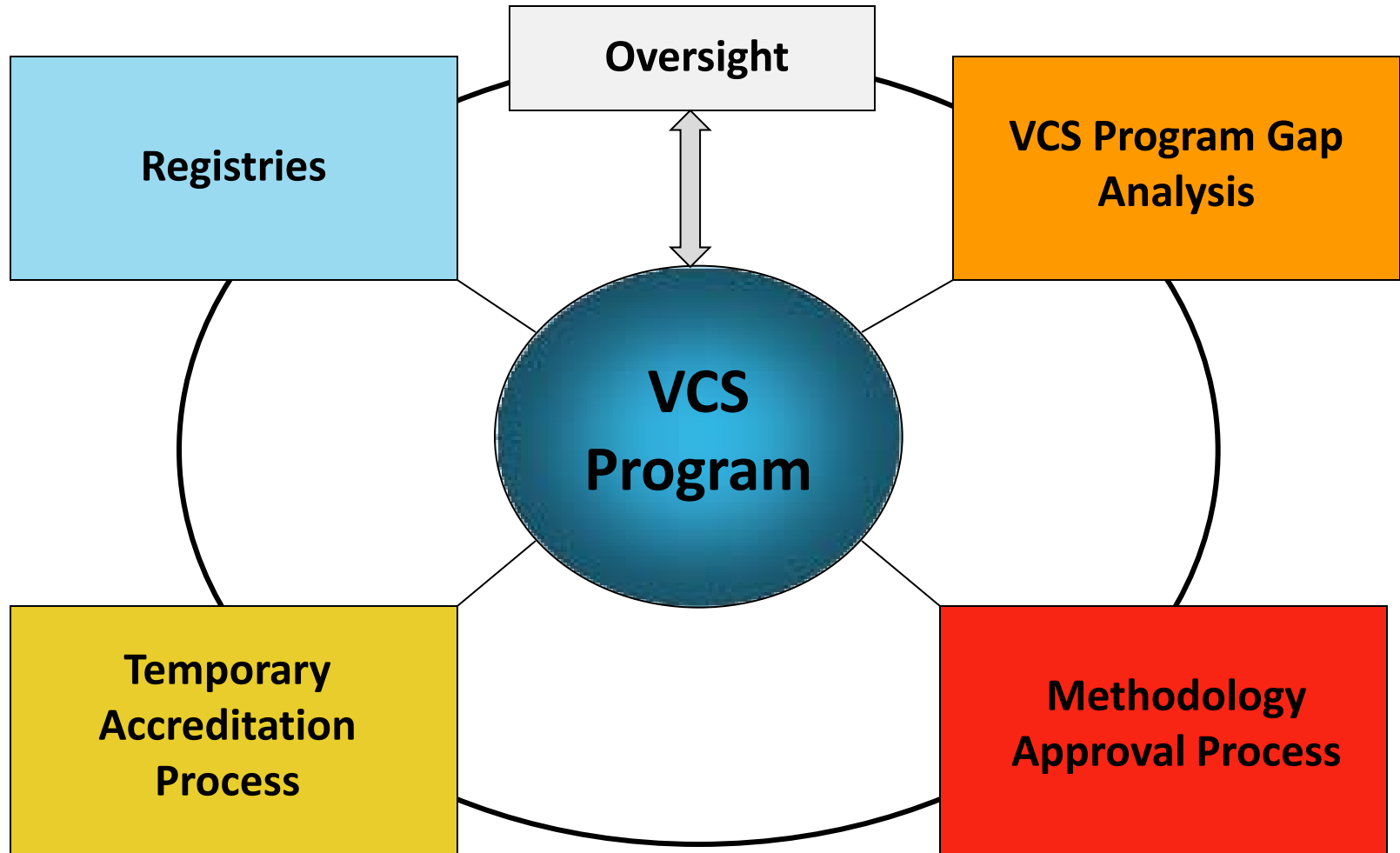
## 2) The Voluntary Carbon Standard (VCS)

- Established by leading NGOs (IETA, WBCSD, The Climate Group, WEF) to:
  - ✓ Provide a rigorous, trustworthy and innovative global standard and validation and verification program for GHG offsets
- Managed by the VCS Association
  - ✓ Non-profit headquartered in Washington, DC
  - ✓ Single focus – to develop and manage the platform (i.e., no consulting, no meth development, no validation/verification, no project development)
  - ✓ Funded through VCU levy and foundation grants
- AFOLU Steering Committee largely credited with bringing in land-based activities into the carbon market

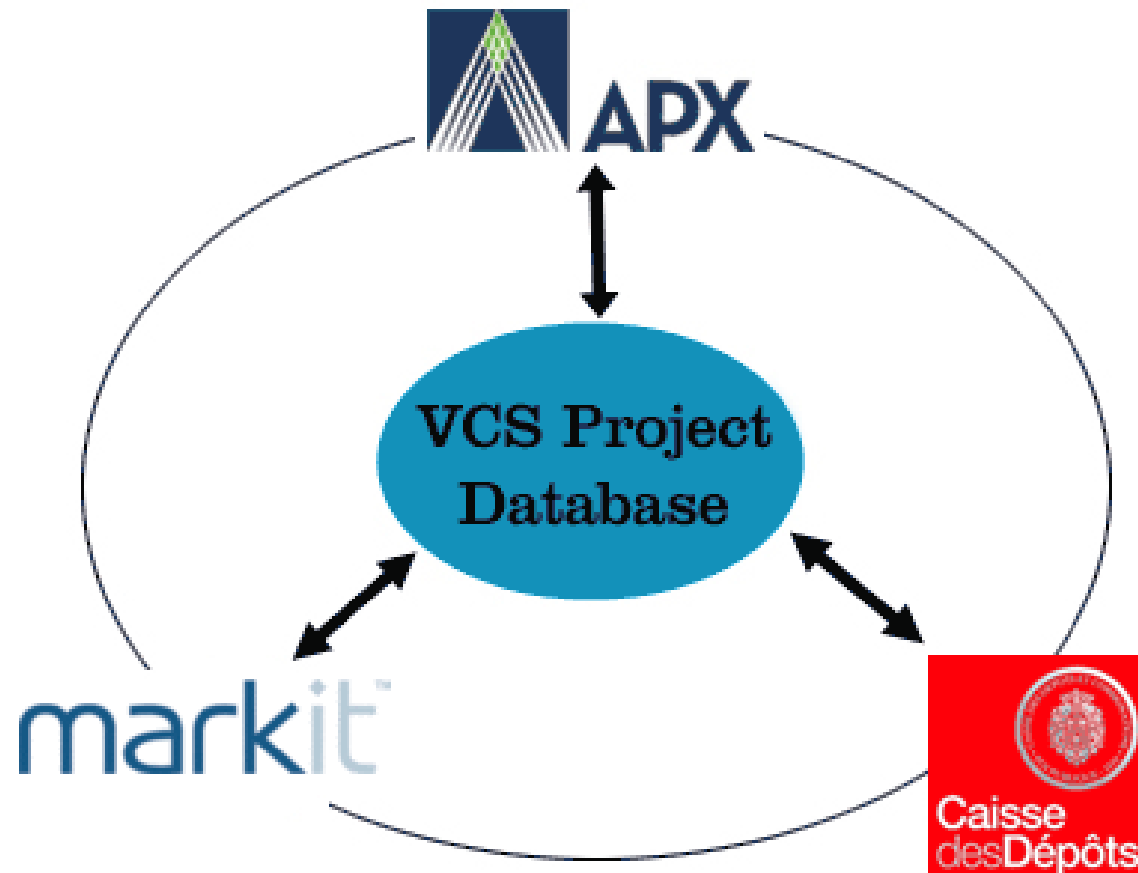
# What is a Voluntary Carbon Unit?



# The VCS Infrastructure

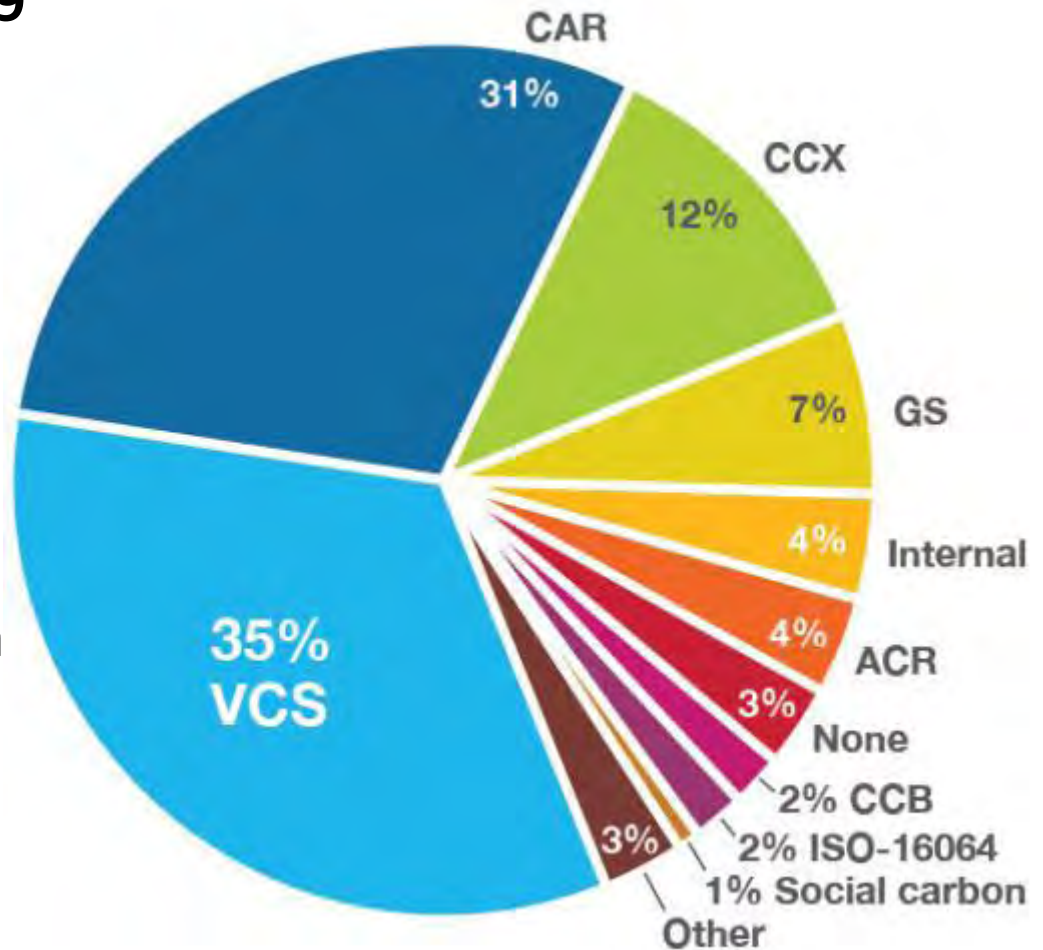


# The VCS Registry System



# VCS Market Share

## Standards Utilization, 2009



- ✓ As of September 2010:
- More than 42 million VCUs issued from nearly 500 different projects



# Defining Characteristics of the VCS

- 1) Clarity of purpose and no conflicts of interest
- 2) High quality offsets
  - ✓ Additional, permanent, real, third party verified
  - ✓ Permission to use language directly from ISO
  - ✓ Transparent process/system
- 3) Unique platform that enables innovation within a credible framework
  - ✓ Double approval process (bottom up)
  - ✓ AFOLU
- 4) Truly scalable platform

## 2) VCS AFOLU

- Key components

- ✓ Established innovative and robust approaches to:
  - **Permanence:** Risk Assessment and AFOLU Pooled Buffer Account
  - **Leakage:** Activity shifting and market leakage must be minimized and accounted for
- ✓ Additional standards (e.g FSC) can be applied, including VCU tag
- ✓ Most int'l developers are adding CCBS to VCS validations to demonstrate social and environmental co-benefits (VCU tag)



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# VCS AFOLU

- Current project types
  - ✓ Afforestation, Reforestation and Revegetation (ARR)
    - Establish, increase or restore vegetative cover
  - ✓ Agricultural Land Management (ALM)
    - Improved cropland, grassland, rangeland management; Cropland or grassland land-use conversions
  - ✓ Improved Forest Management (IFM)
    - Reduced impact logging; logged to protected forests; extension of rotation age; low-productive to high-productive forests
  - ✓ Reduced Emissions from Degradation and Deforestation (REDD)
    - Avoiding planned deforestation; Avoiding unplanned frontier or Mosaic deforestation and degradation

# AFOLU Developments

- New guidance and tools
  - ✓ Project grouping
  - ✓ Performance standards
  - ✓ Nesting projects within national and regional REDD accounting frameworks
- New project types
  - ✓ Peat Re-wetting and Conservation (PRC)
  - ✓ Avoided conversion of non-forest land
    - Grasslands and scrublands- draft guidance under development
    - Wetlands (other than PRC)- under development

# Thank you

**Naomi Swickard**

AFOLU Program Coordinator

[nswickard@v-c-s.org](mailto:nswickard@v-c-s.org)

T: 202-296-2460

**VCS Association**

1730 Rhode Island Avenue, NW

Suite 803

Washington, DC 20036

[www.v-c-s.org](http://www.v-c-s.org)

