



PRESS NOTICE

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Voluntary carbon market first to embrace REDD

Landmark VCS rules will unlock multi-million dollar investments to protect world forests and reduce global emissions

Tuesday 18 November 2008, LONDON – The Voluntary Carbon Standard (VCS) has become the first global carbon accounting standard to introduce robust rules designed to unlock vital funding for credible agriculture, forestry and other land use (AFOLU) projects.

Although agriculture and forestry together account for about a third of all global greenhouse gas emissions, it is the first time a standardized approach has included major project types – such as reduced emissions from deforestation and degradation (REDD) – and made them accessible to all market players in the USD \$330 million voluntary carbon market.

Starting today, land use projects including forestry and agriculture can be validated and verified against the VCS and new methodologies can be approved. The innovative and robust new VCS rules enable AFOLU activities to generate permanent carbon credits (VCUs) that are completely fungible with other carbon credits generated by non-AFOLU activities (eg energy and industrial project types).

Forestry projects have particular appeal for investors not just because of the carbon benefits, but because of their unique potential to create sustainable livelihoods in developing countries and to protect threatened biodiversity.

The new VCS rules are being launched ahead of moves in the regulated market, and are likely to give forest carbon projects a major boost as it is the first time offset buyers and market participants can invest in AFOLU activities knowing that the carbon credits generated are real, additional, permanent, independently verified and tracked within a registry system

David Antonioli, CEO of the VCS Association (VCSA) says: “This is a watershed moment and a shot in the arm for the world’s forests, the world’s climate, and the global carbon market. The new VCS rules will drive much needed investment into protecting the world’s threatened forests as a means to stabilize our global climate. For the first time ever investors can rely on robust rules for crediting AFOLU project activities, creating valuable new market opportunities.”

Toby Janson-Smith, a director with Conservation International, a leading environmental NGO, says: “This is an important day for world forests. Now that the leading voluntary carbon standard has incorporated AFOLU we expect to see the rapid development of a large-scale market for activities that reduce deforestation and degradation. Today’s launch of the VCS rules will not only boost market confidence in forest carbon activities but also, for the first time, enable projects that benefit local communities and biodiversity to access significant new global investment.”

Pedro Moura Costa, President of EcoSecurities says: “Developing forested nations now have a credible standard through which to assess and monetize their forest carbon activities on the international market. As policymakers around the world work to incorporate reduced emissions from deforestation, degradation and other land-based activities into emerging US and UNFCCC policy frameworks, they should look to the VCS as a model.”

Mark Kenber, Chairman of the VCSA says: “One of the key reasons for establishing the VCS was to provide a robust framework within which to innovate with new approaches to offsets without diminishing quality – these new rules for AFOLU projects are a clear example of this innovation in action. 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 today change all that and demonstrate that forestry and agriculture projects can be credibly accounted for, which will be very important for future regulatory schemes.”

A Stockholm Environment Institute report released earlier this year called the draft VCS AFOLU rules “thorough and innovative” and said the VCS was “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 recognized the VCS addresses “many permanence and additionality concerns” that have previously held back the take up of such projects in global carbon markets.

The new VCS rules were authored by 20 of the world’s leading AFOLU experts and developed over a period of 18 months to allow wide stakeholder consultation. The rules have been reviewed by an independent panel of leading risk experts, verifiers, investors, NGO representatives and project developers, all of which provided valuable feedback and input.

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For technical details of the VCS AFOLU rules visit: www.v-c-s.org or email secretariat@v-c-s.org

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NOTES TO EDITORS

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.
- Rules for certification under the VCS 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. The VCS was also deemed to be the most appropriate for the future needs businesses in the market. (Source: “State of the Voluntary Carbon Markets 2007”, 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
- The VCS global registry is in the final stages of development to approve all VCUs (Voluntary Carbon Units) issued under the VCS. The public will be able to access information on every offset project approved under the VCS and it will issue unique serial numbers to ensure offsets cannot be used twice. The registry represents the final phase of the VCS development and is expected to launch before the end of 2008.
- The VCSA would like to thank Agriculture and Agri-Food Canada, Baker & McKenzie, Carbosur, CATIE, Chinese Academy of Forestry, Climate Change Capital, Climate Focus, Colorado State University, Conservation International, Duke University, EcoSecurities, Ecosystem Marketplace, Emmer International, FAN(Bolivia), Forest Trends, ForestRe, Goldman Sachs, Intercooperation, Joanneum Research, Landcare Research, National Institute of Ecology (Mexico), Ohio State University, Rothamstead Research, Swiss Federal Institute of Technology, Syngenta, TerraCarbon, The Nature Conservancy (USA), Treeness Consult, TÜV SÜD, Winrock International, World Bank, and WWF for their support in developing the new VCS rules for AFOLU projects.

About AFOLU

- Agriculture and forestry account for around one third of global emissions (18 per cent for agriculture and 14 per cent for forestry) - more than all the world’s cars, trucks, planes and ships combined. According to British economist Lord Stern and the IPCC, forestry activities alone will account for more than one quarter of all affordable climate mitigation activities in the next decade.
- Analysts estimate that forestry offsets already account for around 18 per cent of the voluntary carbon market - a share that is expected to grow now there is an internationally accepted standard for credibly evaluating the carbon benefits of such projects.