

**Press Release, July 27, 2007**

## **Completion of the Voluntary Carbon Standard Framework**

**The International Emissions Trading Association (IETA), The Climate Group (TCG), the World Business Council for Sustainable Development (WBCSD) and the World Economic Forum (WEF) are pleased to announce that the Voluntary Carbon Standard (VCS) Steering Committee (SC) has completed its work and reached agreement on all components of the VCS at its July 15, 2007 meeting in London.**

*“The VCS represents the consensus of key stakeholders and we hope that it will provide confidence and integrity in the rapidly growing VC market”* said Andrei Marcu, President of IETA. *“It is a much needed development that we hope will address concerns raised about the lack of oversight in this market segment”* added Andrei Marcu.

*“All the stakeholders in the emerging voluntary carbon market recognize that standards are critical. Our Voluntary Carbon Standard launching later this year will introduce a stringent quality assurance to the market and underpin consumer confidence, market credibility and innovation in low carbon technologies.”* said Mark Kenber, Policy Director of The Climate Group

The Steering Committee has retained Dr. Anne-Marie Warris of Loyds Register Quality Assurance (LRQA) to incorporate its decisions into an ISO compatible document which will be reviewed and approved by the SC.

The VCS will be owned and managed by an independent non-profit organization that is currently being created and which will have its own independent Board. The founders of the VCS are IETA, TCG, the WEF and the WBCSD.

Having the ability to register and track VCUs is critical and a call for expressions of interest in hosting a VC Registry will be issued very shortly. The Board of the new VCS organization will approve the candidates.

Until the launch of the final version of the new VCS v2, the existing VCS v1 will remain the only operational version. Projects certified against VCS v1 will be grandfathered.

### **Main components of the VCS**

- The VCS is a global standard applicable to all project types in all jurisdictions.
- All project types are acceptable.
- Principles – real, measurable, permanent, additional, independently verified, and not double-counted.
- Additionality – in addition to baseline setting, project activities must go beyond legal requirements plus 1 of 3 tests: barriers analysis; performance standard; positive list.

- Procedures, methodologies and credits from other credible GHG mitigation programmes will be accepted upon satisfying gap analysis.
- Projects can introduce new methodologies, developed outside any existing or not approved schemes. Such methodologies will be approved based on a double verification process.
- For the 1<sup>st</sup> year of the VCS's operation, projects started after January 1<sup>st</sup> 2002 will be accepted, and after that, projects started within 2 years before the current date will be accepted.
- LULUCF will use a buffer approach (currently under development) to ensure permanence of emission reductions.
- Validation and verification must be performed by verifiers accredited through VCS approved accreditation bodies.
- All VCUs must be held in a VCS approved registry

### **About the VCS**

Since late 2005, IETA, TCG, WEF and WBCSD have been working together to develop the VCS. The VCS is designed to be a global standard for project-based voluntary emission reductions that provide a degree of standardization to the voluntary carbon market and creates a credible voluntary emission reduction credit, the VCU, which can be trusted, traded and used by the voluntary carbon market participants.

Version 1 of the VCS was released for consultation on March 28, 2006. IETA and Climate Group members and partners provided written comments on version 1. Comments were incorporated into a proposed version 2 of the VCS, which was released as a consultation document on October 18, 2006. Sixty submissions were received on the proposed version 2.

An independent Steering Committee was established to review the responses to the consultation and approve a final version of the VCS, including rules for accrediting verifiers, registries and the Standard's future governance.

Within the Steering Committee, seven working groups were established to address the submissions and other outstanding issues from VCS proposed version 2. The working groups covered VCS governance, additionality, general policy issues (e.g. forward crediting), validation and verification, performance standard approaches, registries and land use, land use change and forestry.

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## **Steering Committee members of the Voluntary Carbon Standard**

1. Mark Kenber – Climate Group (Co-Chair)
2. Andrei Marcu – IETA (Co-Chair)
3. Adam Kirkman - WBCSD
4. Richard Samans – World Economic Forum (WEF)
5. Bill Townsend – Blue Source
6. Derik Broekhoff – WRI
7. Dianne Wittenberg – CCAR
8. Einar Telnes – DNV
9. Erin Meezan – Interface
10. Jan-Willem Bode – Ecofys
11. Ken Newcombe – Climate Change Capital
12. Marc Stuard – EcoSecurities
13. Mike Burnett – Climate Trust
14. Mitchel Feierstein – Cheyne Capital
15. Robert Dornau – SGS
16. Robert Routcliffe – Invista
17. Steve Drummond – CantorCO2e
18. Yoshito Izumi - Taiheiyo Cement (Observer)