



## **Sub-National REDD+ under the VCS**

**Governors' Climate and Forest Task Force  
Santarém, Brazil  
15 September 2010**

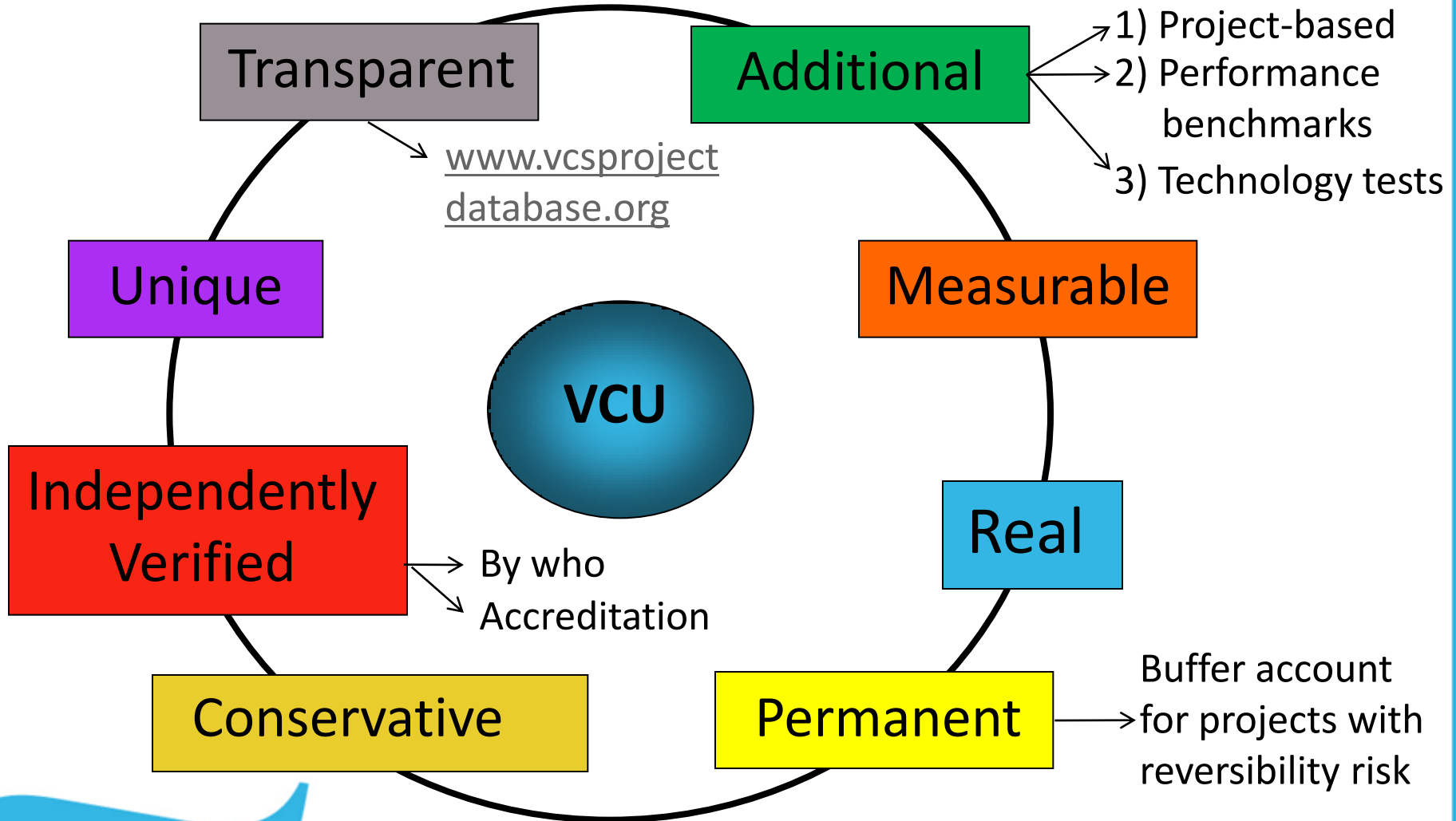
# Overview

- 1) The Voluntary Carbon Standard
- 2) The VCS Agriculture, Forestry and Other Land Use (AFOLU) Program
- 3) Proposed Sub-national REDD+
  - ✓ Regional Baselines
  - ✓ Sub-national accounting and crediting

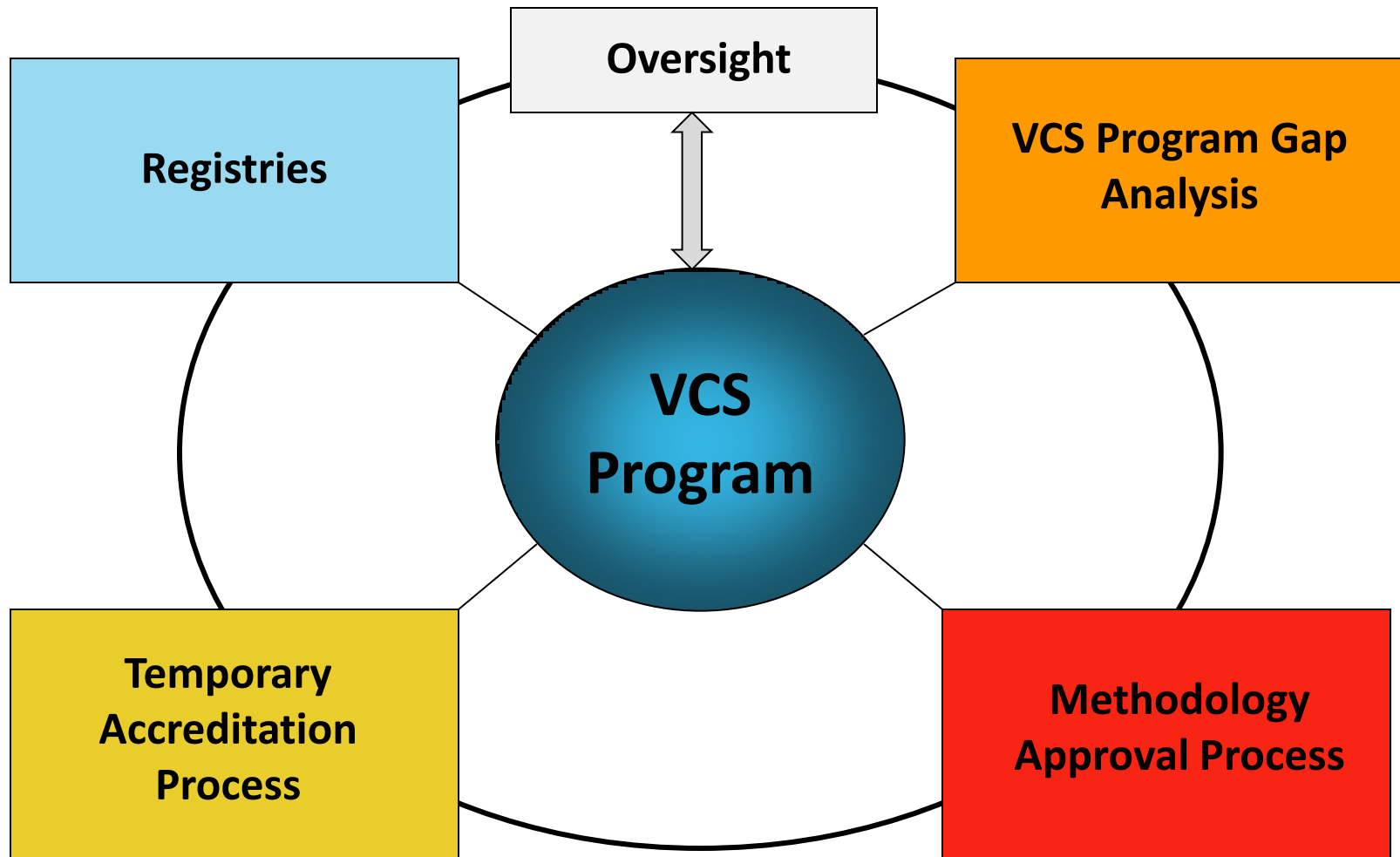
# 1) The Voluntary Carbon Standard (VCS)

- 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

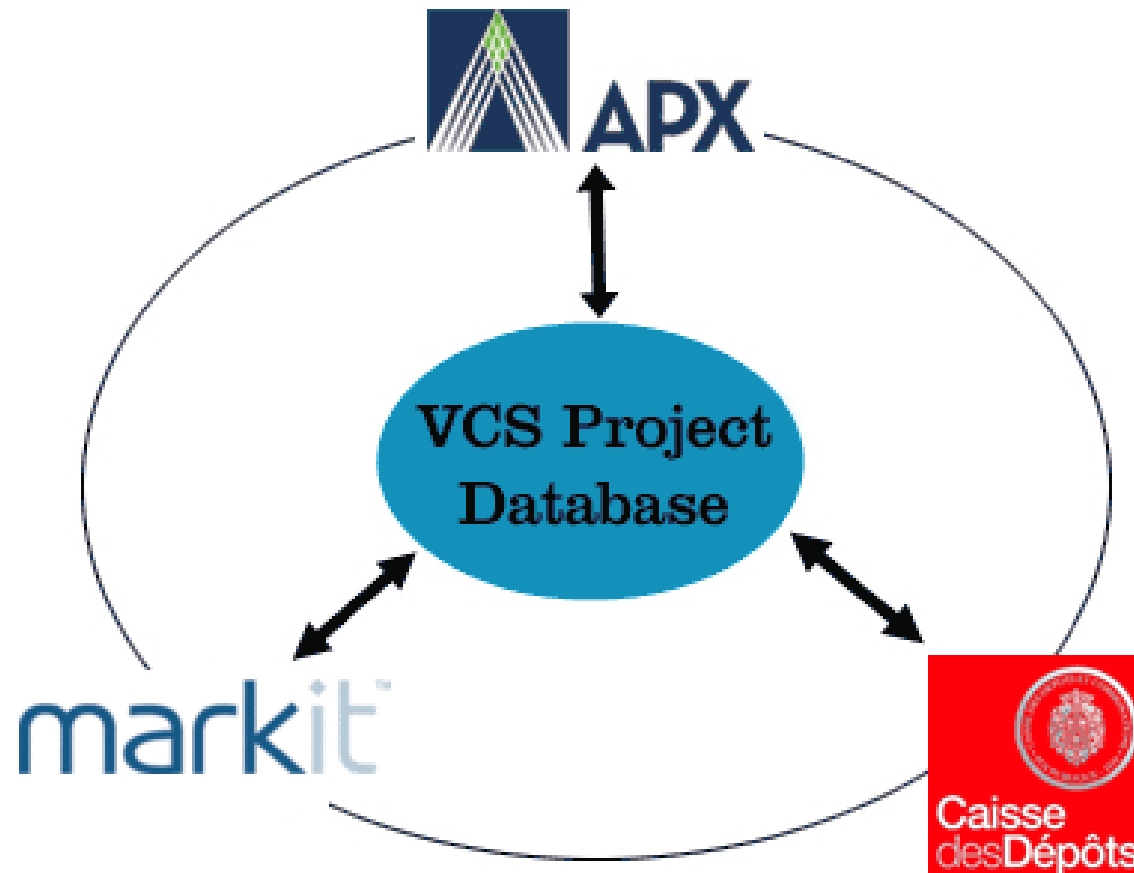
# What is a Voluntary Carbon Unit?



# The VCS Infrastructure



# The VCS Registry System



# 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

# VCS REDD Projects under development

- VCS is being applied to the majority of REDD projects under development, globally, including the following:
  - ✓ Brazil:
    - ✓ Amazonas: Juma Reserve (Amazonas state + FAS) - 600,000 ha
    - ✓ Acre: Interested in using VCS+CCBS for their REDD projects
    - ✓ Amapa: Amapa State Forest Blocks (State govt + CI) - 1,200,000 ha
    - ✓ Mato Grosso: Northwest region REDD (ICV + TNC)
    - ✓ Para: Calha Norte Project (State Govt + CI + IMAZON) - 7,400,000 ha
    - ✓ Para: Forest Carbon Pilot Project Sao Felix do Xingu (TNC + SEMA-PA)
    - ✓ Rondonia: Cinta Larga (Viridor) - 2,700,000 ha
  - ✓ Indonesia:
    - ✓ Aceh: Ulu Masen, Aceh (Carbon Conservation) - 750,000 ha
    - ✓ Aceh: Leuser (Global EcoRescue) - 2,000,000 ha
    - ✓ Papua: Jayapura REDD Pilot Project (FFI/ Macquarie Bank) - 400,000 ha
    - ✓ Papua: Mimika, Mambaramo and Merauke (New Forests) - 250,000 ha
    - ✓ West Kalimantan: Kapuas Hulu (Fauna and Flora Intl) - 160,000 ha
    - ✓ Central Kalimantan: Katingan (Clinton Climate Initiative) - 200,000 ha
    - ✓ Central Kalimantan: Lamandau (Clinton Climate Initiative) - 25,000 ha
    - ✓ East Kalimantan: Malinau (Dist Govt + Global EcoRescue)
  - ✓ Other locations: Many more...

# Approved REDD & IFM Methodologies

- REDD
  - ✓ VM0004 Methodology for Conservation Projects that Avoid Planned Land Use Conversion in Peat Swamp Forests, v1.0
    - Applicable to preventing planned land use change on undrained tropical peat swamp forests in southeast Asia. The baseline methodology outlines methods to estimate the avoided net greenhouse gas emissions resulting from project activities implemented to stop planned land use conversion in tropical peat forests.
- IFM
  - ✓ VM0003 Methodology for Improved Forest Management through Extension of Rotation Age, v1.0
    - This methodology is applicable to Improved Forest Management VCS project activities that involve an extension in rotation age.

# REDD & IFM Methodologies in Approval Pipeline

Methodology Name	Developer	Sectoral Scope	Status
Methodology for Estimating Reductions of GHG Emissions from Frontier Deforestation	Amazonas Sustainable Foundation	AFOLU (REDD)	Second Validation
REDD Methodology Modules	Avoided Deforestation Partners	AFOLU (REDD)	First Validation
Baseline and Monitoring Methodology for Project Activities that Reduce Emissions from Deforestation on Degrading Land	Terra Global Capital, LLC	AFOLU (REDD)	Second Validation
Methodology for Estimating Reductions of GHG Emissions from Mosaic Deforestation	World Bank, BioCarbon Fund	AFOLU (REDD)	First Validation
Improved Forest Management- Logged to Protected Forest Methodology	GreenCollar Climate Solutions	AFOLU (IFM)	First Validation
Improved Forest Management through Avoidance of Re-logging and Rehabilitation of Logged-Over Forest	Face the Future	AFOLU (IFM)	Second Validation
Estimation of GHG Emissions Reductions from Planned Degradation (IFM)	Carbon Planet Limited	AFOLU (IFM)	Second Validation
Improved Forest Management – Logged to protected forests on fee simple forested properties	3GreenTree and ERA Inc	AFOLU (IFM)	First Validation
Additional 4 ALM methodologies and 1 ARR, for more information see <a href="http://v-c-s.org/public_comment.html">http://v-c-s.org/public_comment.html</a>	Multiple	AFOLU	-

### 3) Proposed Sub-national REDD+ under the VCS

#### 1) Regional Baselines

- ✓ Approval, registration and use of regional baselines for VCS project activities

#### 2) Sub-national accounting and crediting

- ✓ Approval and crediting of jurisdictional accounting programs, including integrated project activities

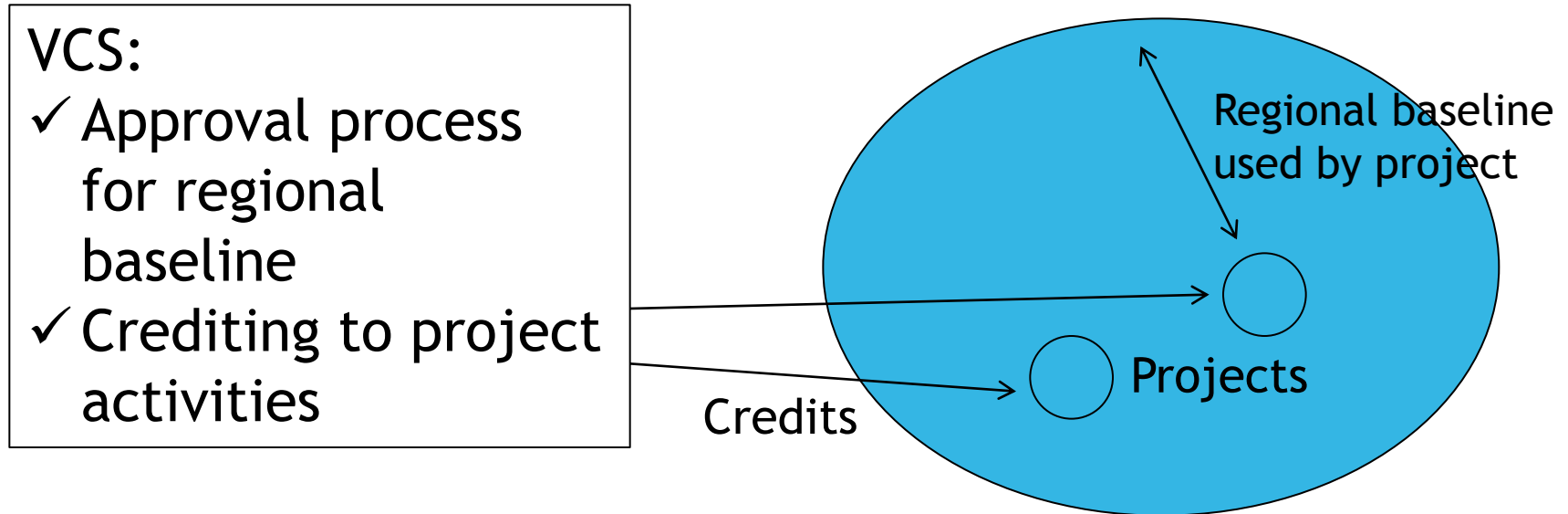
# Proposed Sub-national REDD

## 1) Regional Baselines

- ✓ Approval, registration and use of regional baselines for VCS project activities
  - ✓ VCS would set out requirements, informed by stakeholders (projects, states, provinces, technical experts)
  - ✓ Multi-stakeholder process to develop regional baseline
  - ✓ For use where no jurisdictional program exists, but multiple project activities exist within the region
  - ✓ Streamlines baseline setting for project proponents
  - ✓ Project-based accounting and crediting

# Regional Baselines

Region



# Proposed Sub-national REDD

## 2) Sub-national accounting and crediting

- ✓ Approval and crediting of jurisdictional accounting programs, including integrated (“nested”) project activities
- ✓ VCS would set out high level requirements for eligible programs, informed by states, provinces and other stakeholders, for accounting and crediting at the jurisdictional scale
- ✓ No one size fits all:
  - ✓ Programs to be developed by jurisdictions (states, provinces, national government)
  - ✓ VCUs may be issued to both project and jurisdictional activities

# Sub-national accounting and crediting

- ✓ VCS to set high level requirements (options), and jurisdictional programs would need to address:
  - ✓ Accounting for jurisdiction-wide emission reductions (generated by policies, programs and projects)
  - ✓ MRV requirements to issue credits at the jurisdictional level
  - ✓ Risk management to address potential underperformance and non-permanence risk, which could include options to use a VCS buffer approach or other insurance mechanisms
  - ✓ Accounting for leakage from project and non-project activities
  - ✓ Resolving conflicts between project and jurisdictional accounting;
  - ✓ Ensuring additionality of jurisdiction wide, including project, emission reductions
  - ✓ May also apply CCBA/CARE REDD+ Social and Environmental Standards

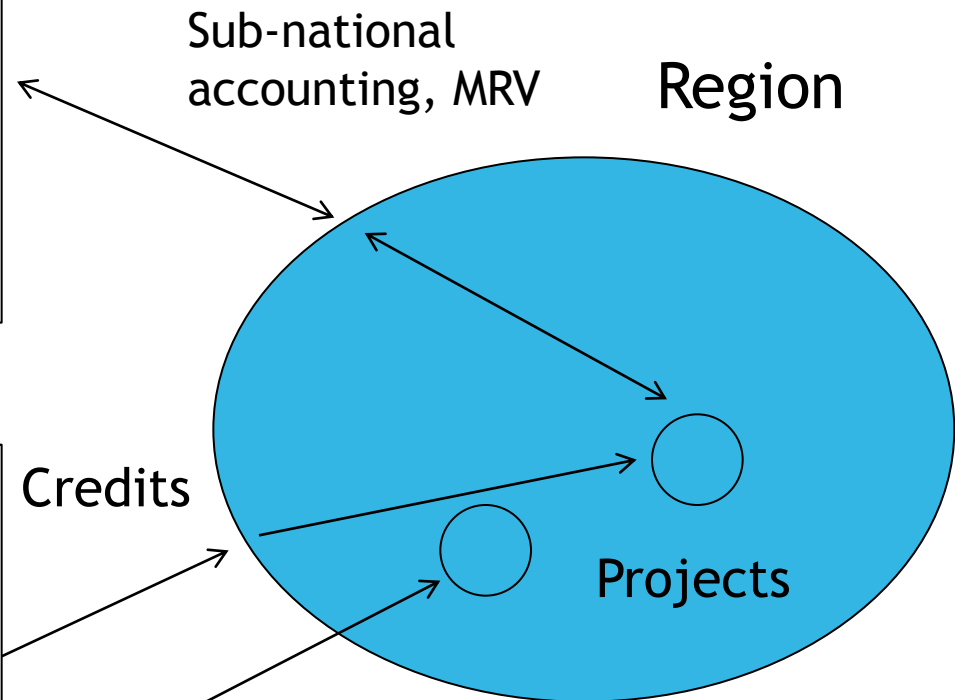
# Sub-national accounting and crediting

Jurisdiction (state, province):

- ✓ Develops program
- ✓ Sub-national accounting and MRV

VCS:

- ✓ Approval process for program
- ✓ Crediting to jurisdiction and project activities



# Thank you

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