



The Verified Carbon Standard: Scaling up REDD+

Jurisdictional and Nested REDD+

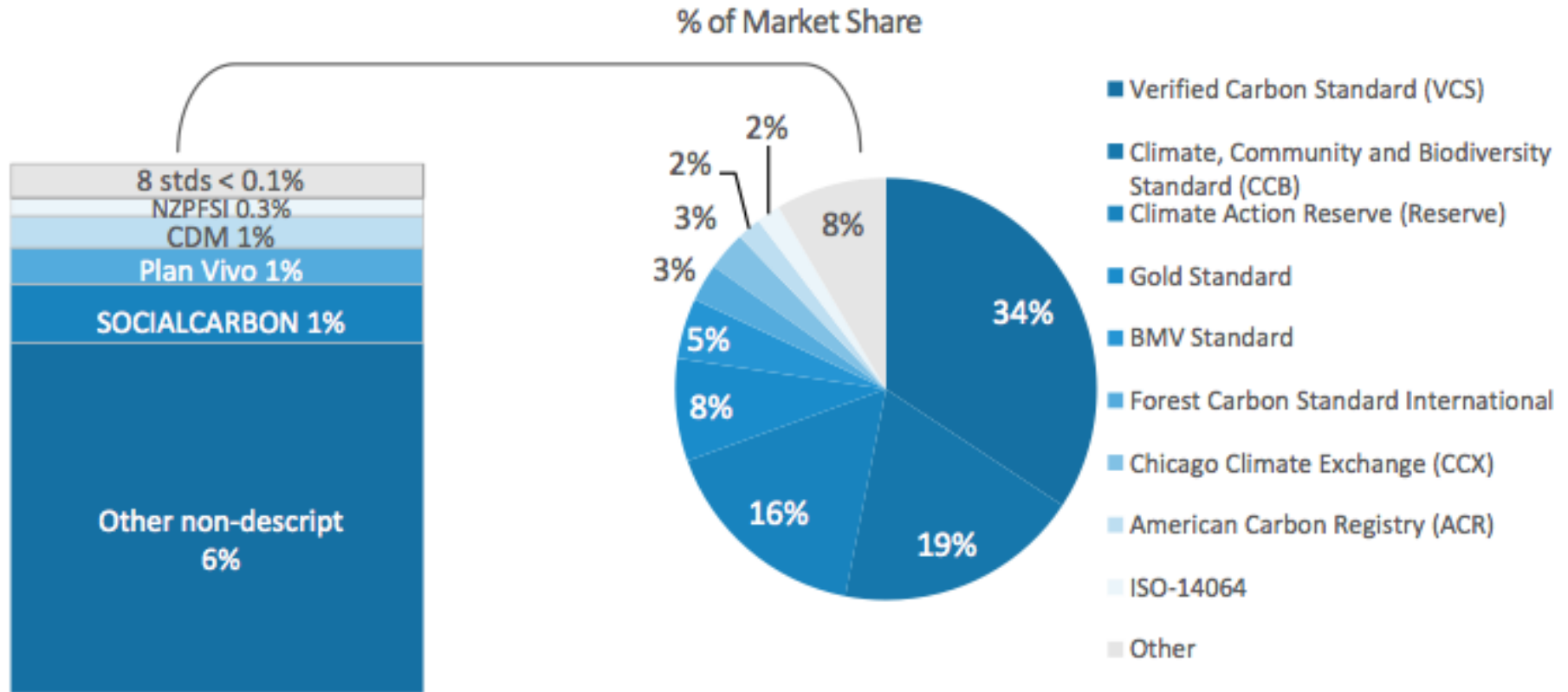
GCF Annual Meeting Palangka Raya, Indonesia

Agenda

- Part 1. Update on VCS and AFOLU
- Part 2. Jurisdictional and Nested REDD Initiative

VCS Leads the Voluntary Carbon Market

Figure 3: Third-Party Standard Utilization by Primary and Secondary Standard, OTC 2010³



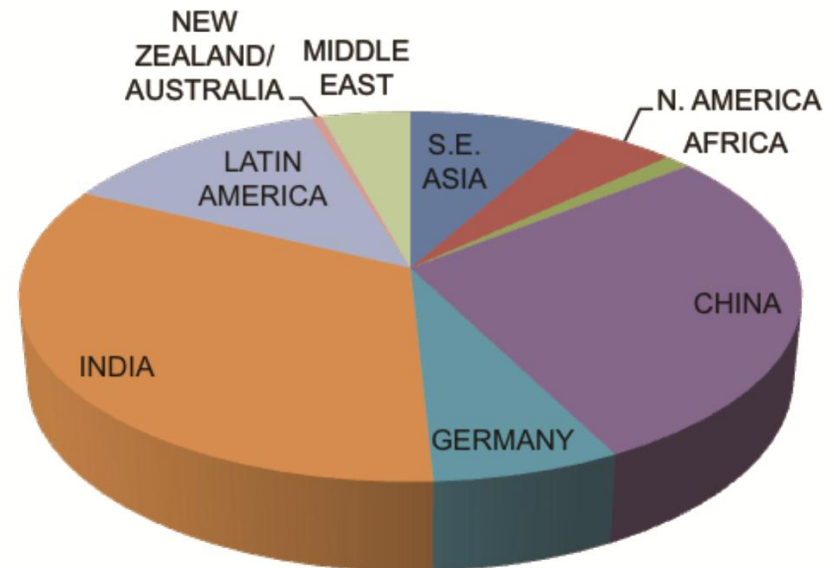
Source: Ecosystem Marketplace, Bloomberg New Energy Finance.

Note: Based on 676 observations.

Source: Ecosystem Marketplace, Bloomberg New Energy Finance,
Back to the Future: State of the Voluntary Carbon Markets 2011

VCS Global Reach

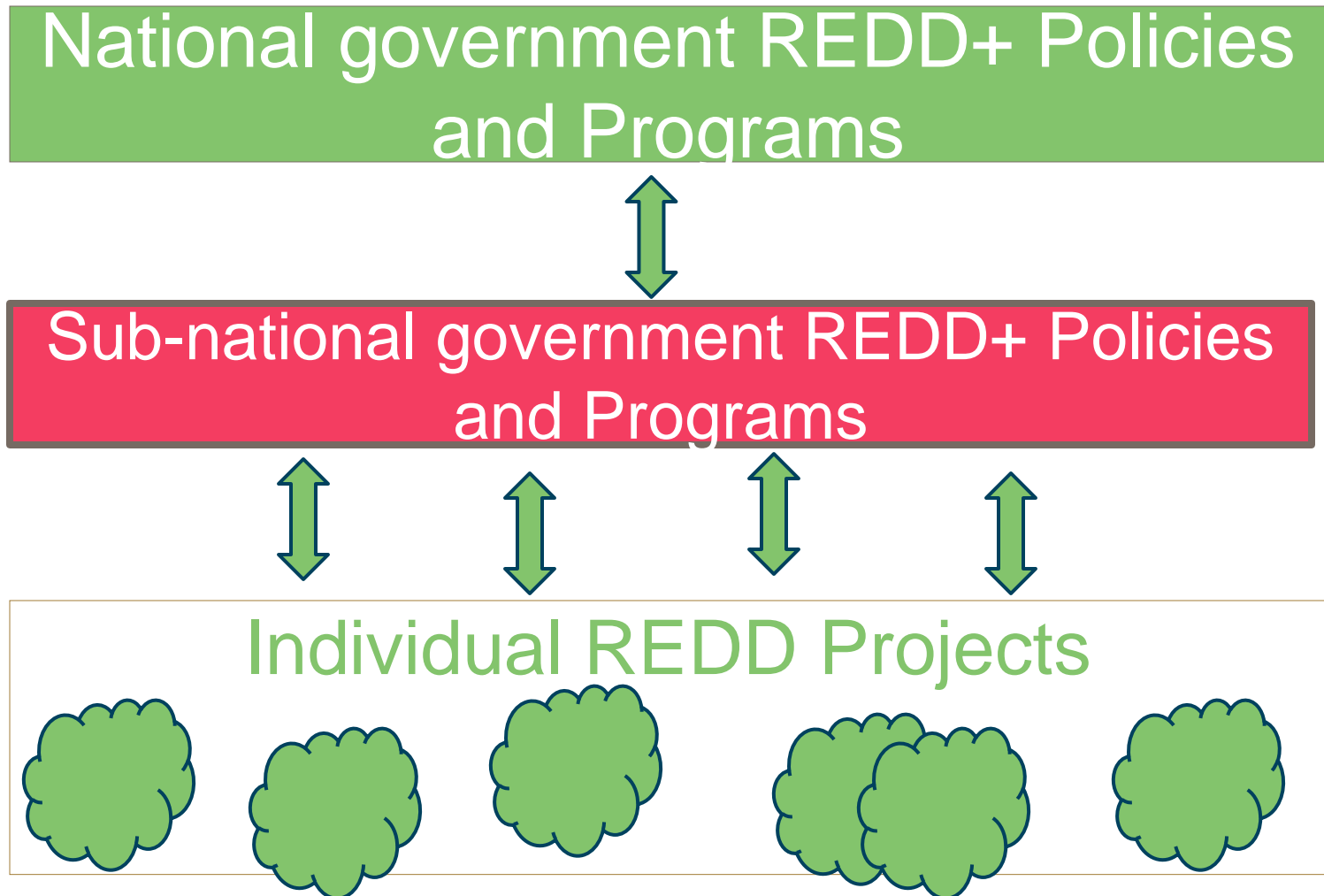
- **Registered projects**
 - Over 685 registered projects across six continents
- **Credit Volumes**
 - Over 64 million VCUs issued
 - More than 514 projects have issued VCUs



Reach of AFOLU projects...

- Registered AFOLU projects
 - 16 AFOLU projects registered to date...
 - In Indonesia, Malaysia, Brazil, Colombia, Peru, Guatemala, Belize, Kenya, Uganda, Tanzania, Canada and Australia
- Volumes
 - ~4.5 million AFOLU credits issued
 - Nearly 1.1 million buffer credits in AFOLU buffer account
- Projects under development
 - Dozens of AFOLU projects under development...
 - Indonesia, Laos, Cambodia, Brazil, Peru, Panama, Chile, Ecuador, Mexico, DRC, South Africa, Kenya, and many more...

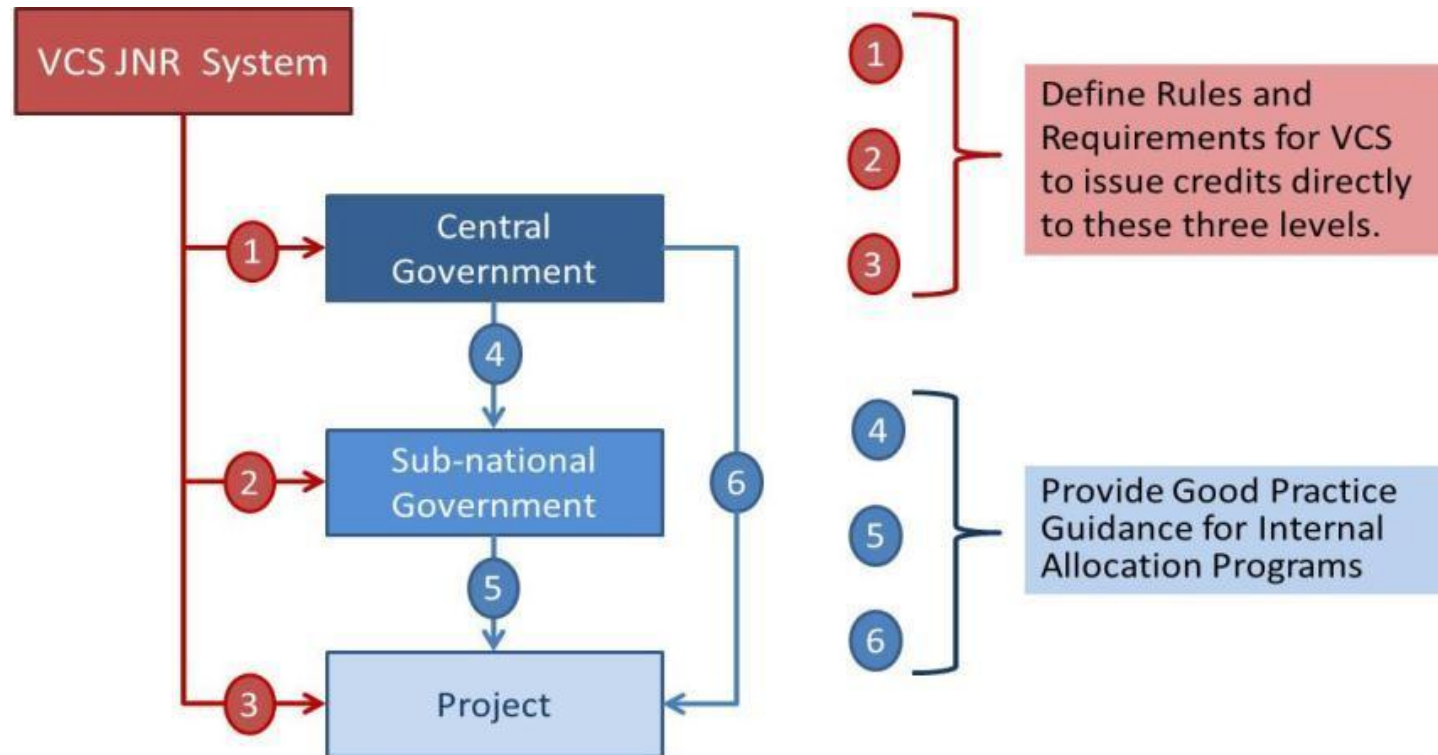
PART 2: Jurisdictional and Nested REDD+



VCS Jurisdictional & Nested REDD Initiative

- Jurisdictional and Nested REDD Initiative
 - ✓ Developing guidance and criteria for jurisdictional REDD programs to enable crediting at multiple scales (project, state/province and national)
 - Create a pathway for projects to “nest” within larger scale jurisdictional programs (both sub-national and national)
 - Develop best practice nested accounting and crediting at jurisdictional scales
 - ✓ Frameworks may serve multiple markets (voluntary, bilateral, pre-compliance, potentially compliance)
 - Interest and participation from a number of countries and donors seeking to set up jurisdictional and/or nested project crediting schemes

Crediting options, Requirements vs. Guidance



Note: There are additional arrows going in the opposite direction (related to buffers and - possibly - leakage) that may need to be considered.

Requirements, Criteria and Procedures

- ✓ Requirements will include options covering:
 - ✓ Scope and Scale: activities, carbon pools
 - ✓ Baselines: determination, updating, nesting and 'grandfathering' early-action projects
 - ✓ MRV and Crediting
 - ✓ Other issues (leakage, underperformance, reversals and force majeure)

- ✓ Criteria and procedures for review and registration of jurisdictional programs

Process and Timeline

- ✓ Advisory and Technical Committees convened in Q1 2011
- ✓ Technical Experts currently working to finalize recommended options for guidance and requirements, peer and Advisory Committee review Oct-Nov 2011
- ✓ Draft guidance and requirements to be issued for public comment by end of 2011
- ✓ Final release in first half of 2012
- ✓ Phase Two: Pilots, 2012-

More information...

- ✓ For more information see www.v-c-s.org
- ✓ To increase transparency a number of documents are available online:
 - ✓ JNRI Fact Sheet
 - ✓ Background scoping document
 - ✓ Summary scoping document
 - ✓ More to follow...



Fact Sheet: Jurisdictional & Nested REDD

In 2011, VCS is overseeing a groundbreaking Jurisdictional and Nested REDD Initiative to provide a pathway for scaling up REDD activities.

The initiative is convening policymakers, practitioners and technical experts from around the world to develop guidelines for creating robust accounting frameworks that will allow for crediting REDD projects, policies and programs across national and sub-national jurisdictions.

Consensus is growing in global climate policy circles that efforts to Reduce Emissions from Deforestation and Forest Degradation (REDD) will require robust accounting at the national scale. At the same time, a growing number of individual REDD projects are being implemented successfully across dozens of countries. These projects, many of which are being developed under the Verified Carbon Standard (VCS), are demonstrating viable approaches to reducing deforestation while engaging local actors and leveraging private capital.

As a result of these trends, more and more governments are seeking to integrate individual project activities into national and sub-national (eg, state or provincial) REDD accounting. Most are seeking accounting frameworks that will ensure environmental integrity and the incentives needed to attract private investment.

The Need: Environmental & Financial Integrity for REDD

Ultimately, individual REDD projects must be integrated into larger-scale accounting frameworks, both to ensure that emissions reductions "add-up" across jurisdictions and to ensure that carbon credits issued to projects are recognized by jurisdictional governments.

And yet currently there are no regulatory or institutional frameworks for accounting and crediting REDD activities at sub-national or national scales. If rules for such accounting frameworks can be developed, it will have significant potential to increase policymaker and investor confidence and engagement in

REDD. This in turn could drive more emissions reductions and establish powerful demonstration models for emerging regulatory and results-based frameworks.

The Goal: Integrated REDD Accounting and Crediting

To address this need, VCS is advancing the Jurisdictional and Nested REDD Initiative (JNRI). This initiative is bringing together global experts and government representatives to formulate coherent guidelines and technical requirements for developing jurisdictional REDD accounting and crediting. Jurisdictions may be national, sub-national (eg, state or provincial) or regional.

The new guidelines and requirements, which are slated for release in early 2012, will establish the first available platform for crediting REDD reductions at multiple scales – national, sub-national and project – where projects are 'nested' and can be credited within broader jurisdictional accounting frameworks. Moreover, this new platform may be used by interested jurisdictions to develop actual REDD programs which could be credited under VCS for reductions achieved by jurisdictional policies and programs and by projects nested within the jurisdiction.

Ultimately, the initiative should help demonstrate the viability of nested frameworks for integrated REDD accounting and crediting

Various nesting combinations - key

Crediting scale: 

VCU crediting: 

BL scale: 

MRV scale: 

National jurisdictional boundary: 

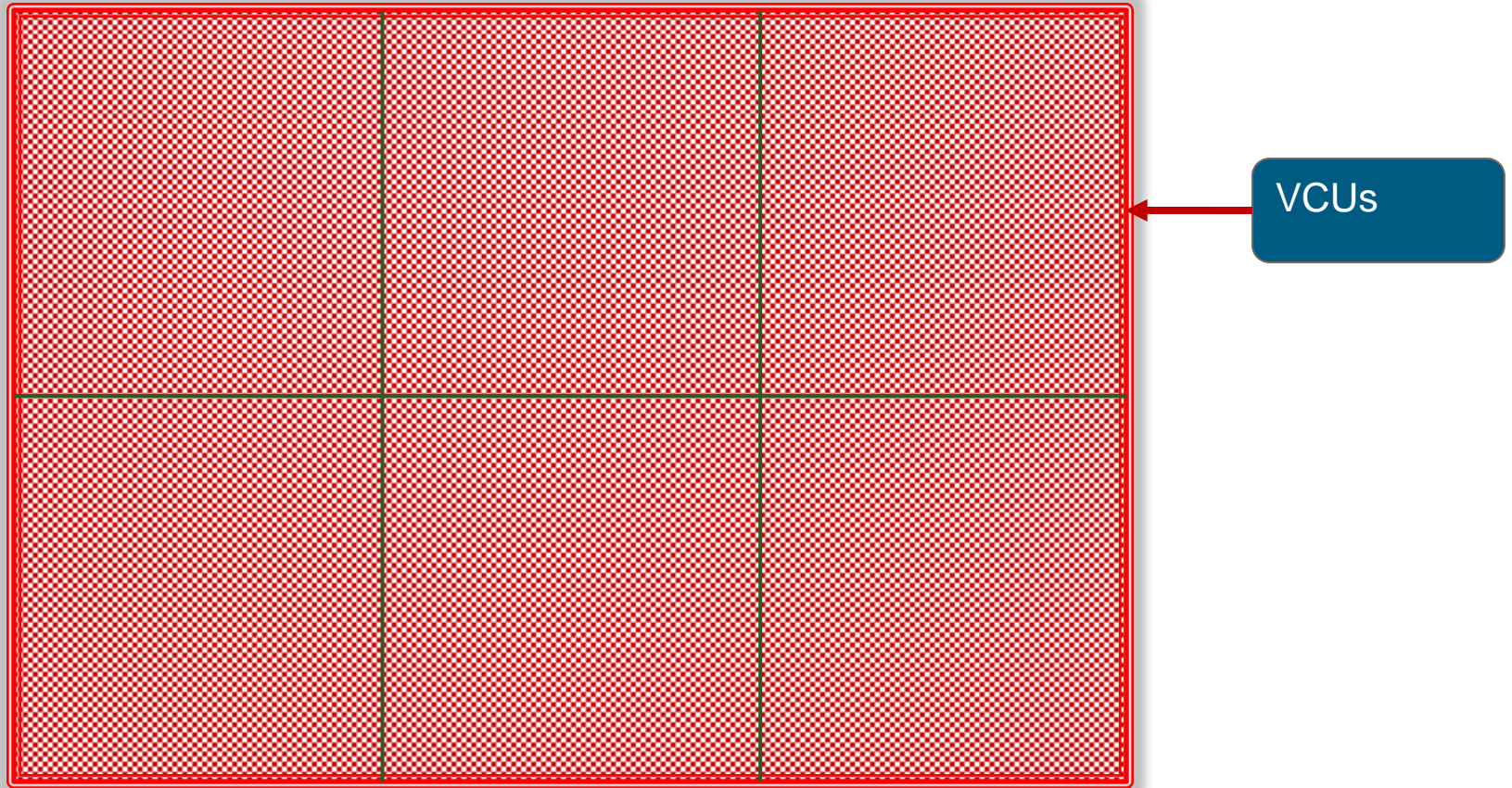
Subnational jurisdictional boundary: 

Project boundary: 

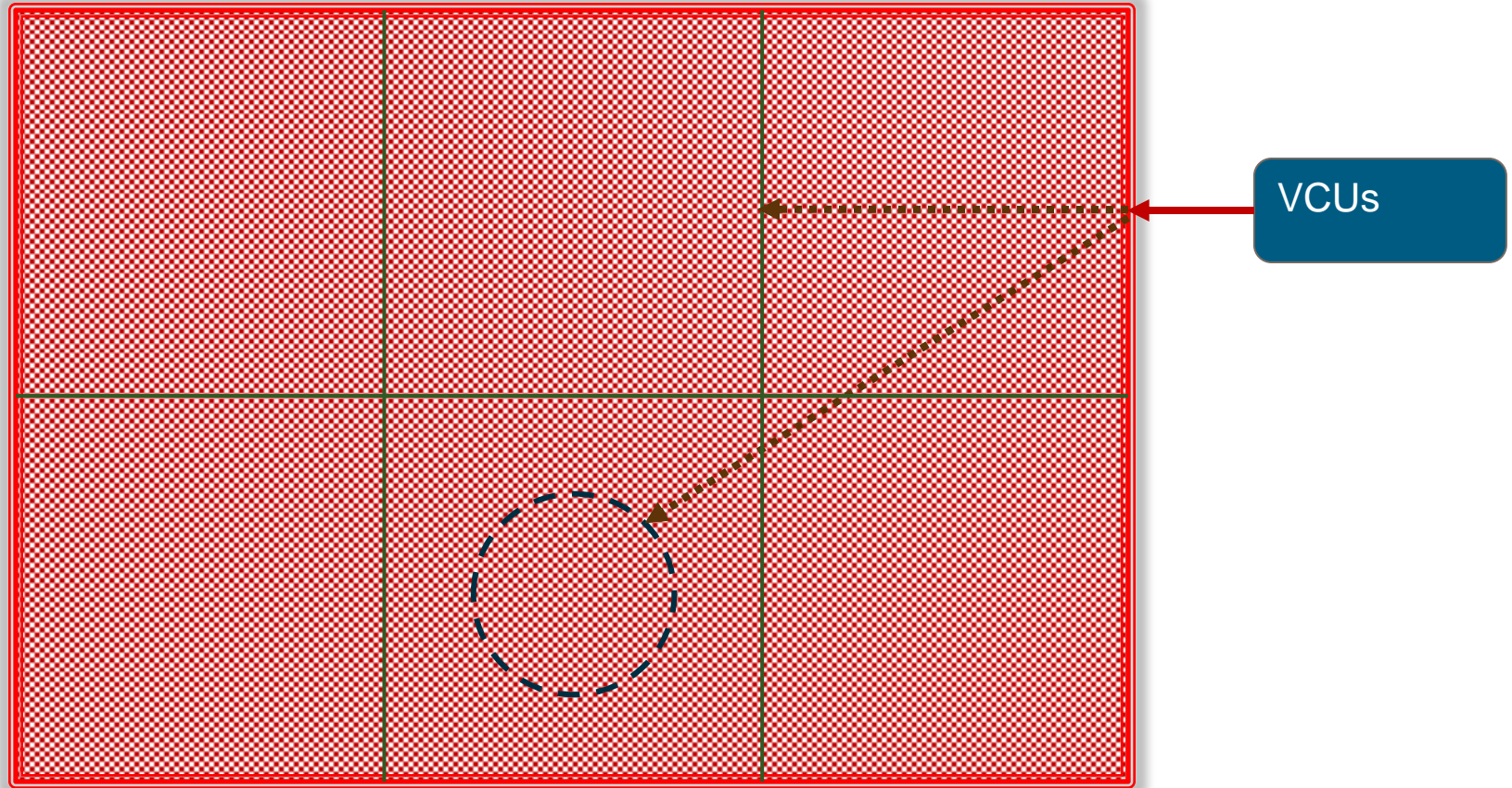
“VCU” credit issuance:

Jurisdictional credit allocation:  

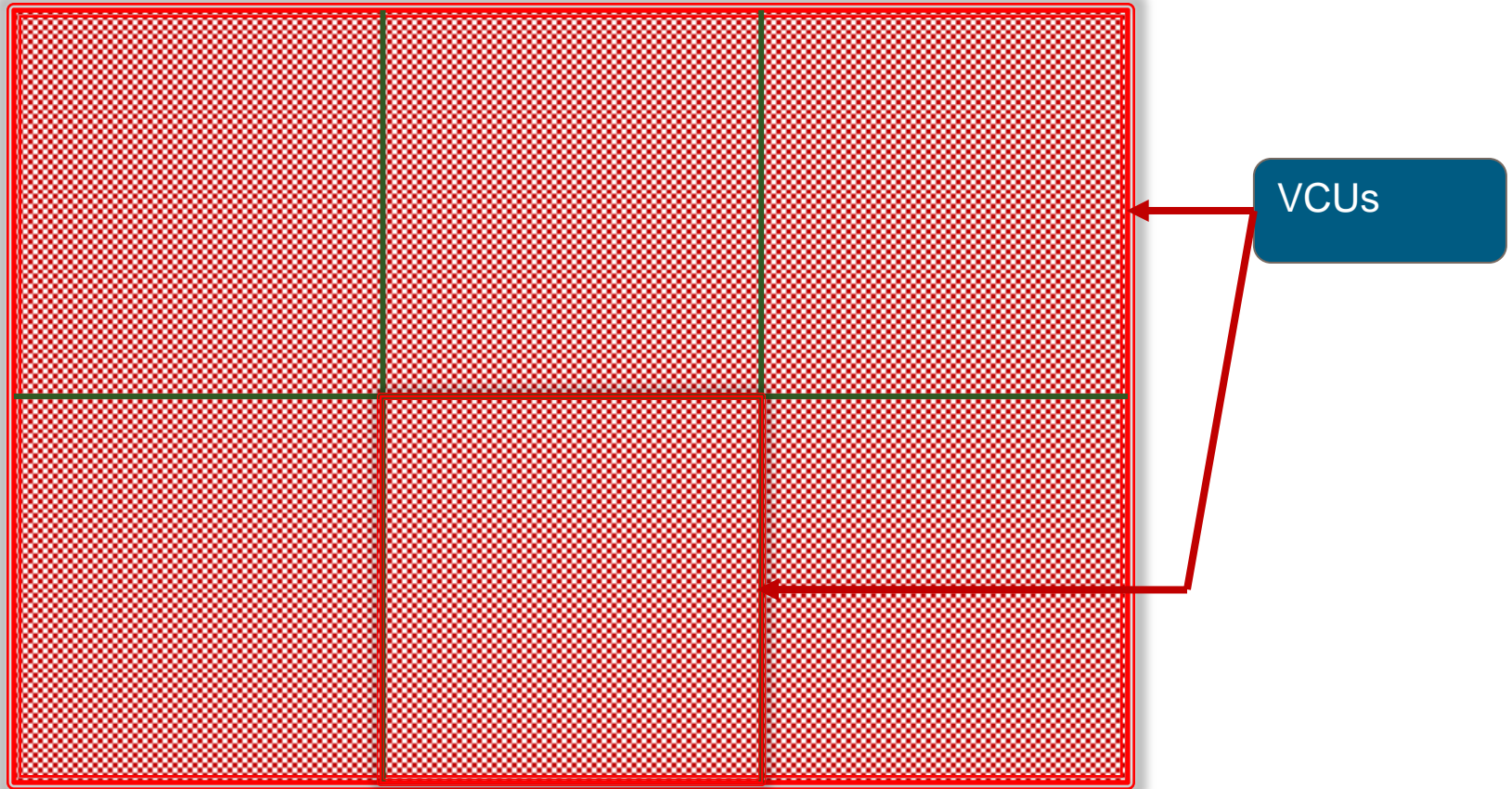
Option 1 (National crediting only)



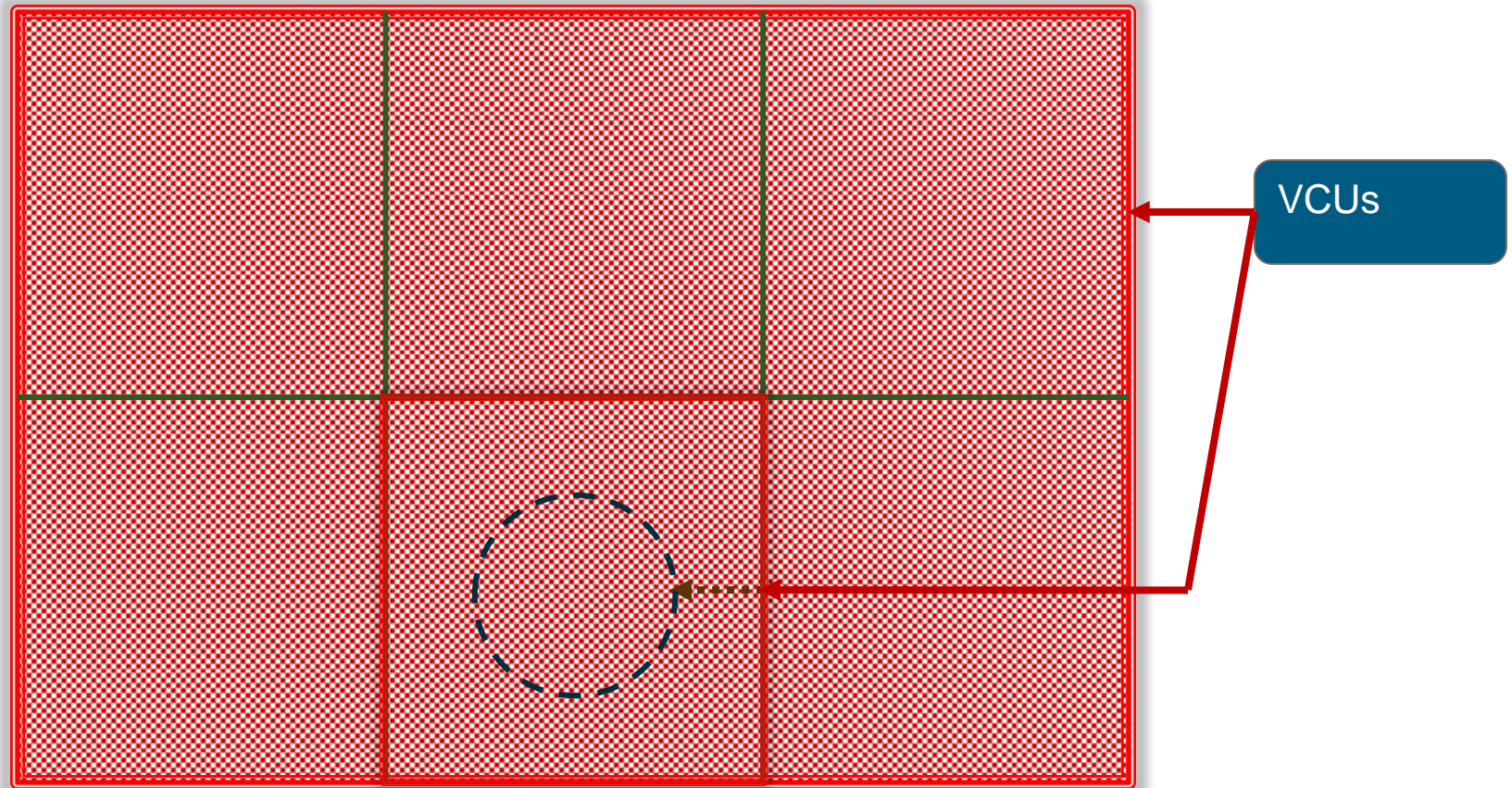
Option 1 variation (National crediting with internal allocation to sub-national jurisdictions and projects)



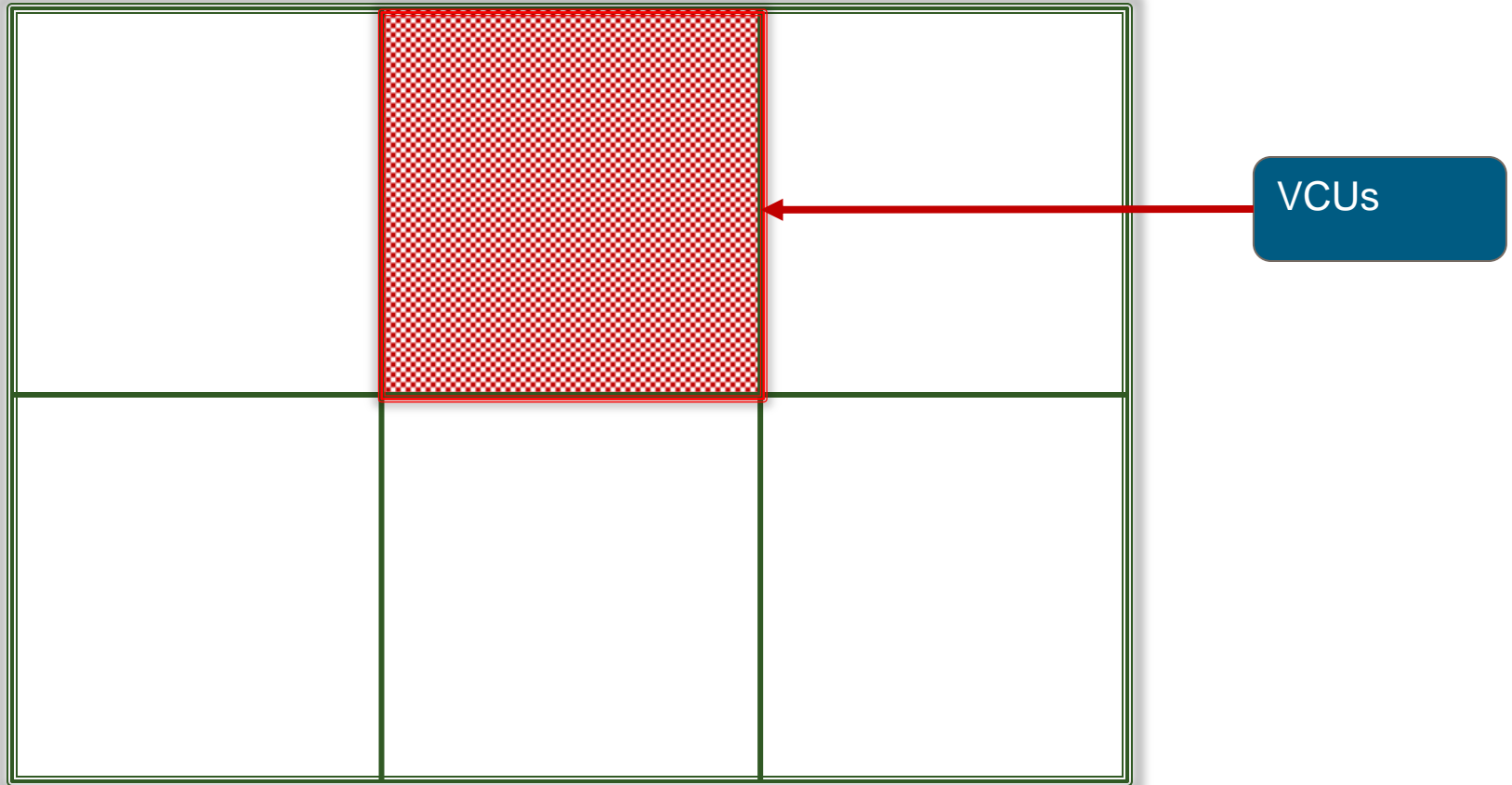
Option 2a (National and sub-national jurisdictional crediting)



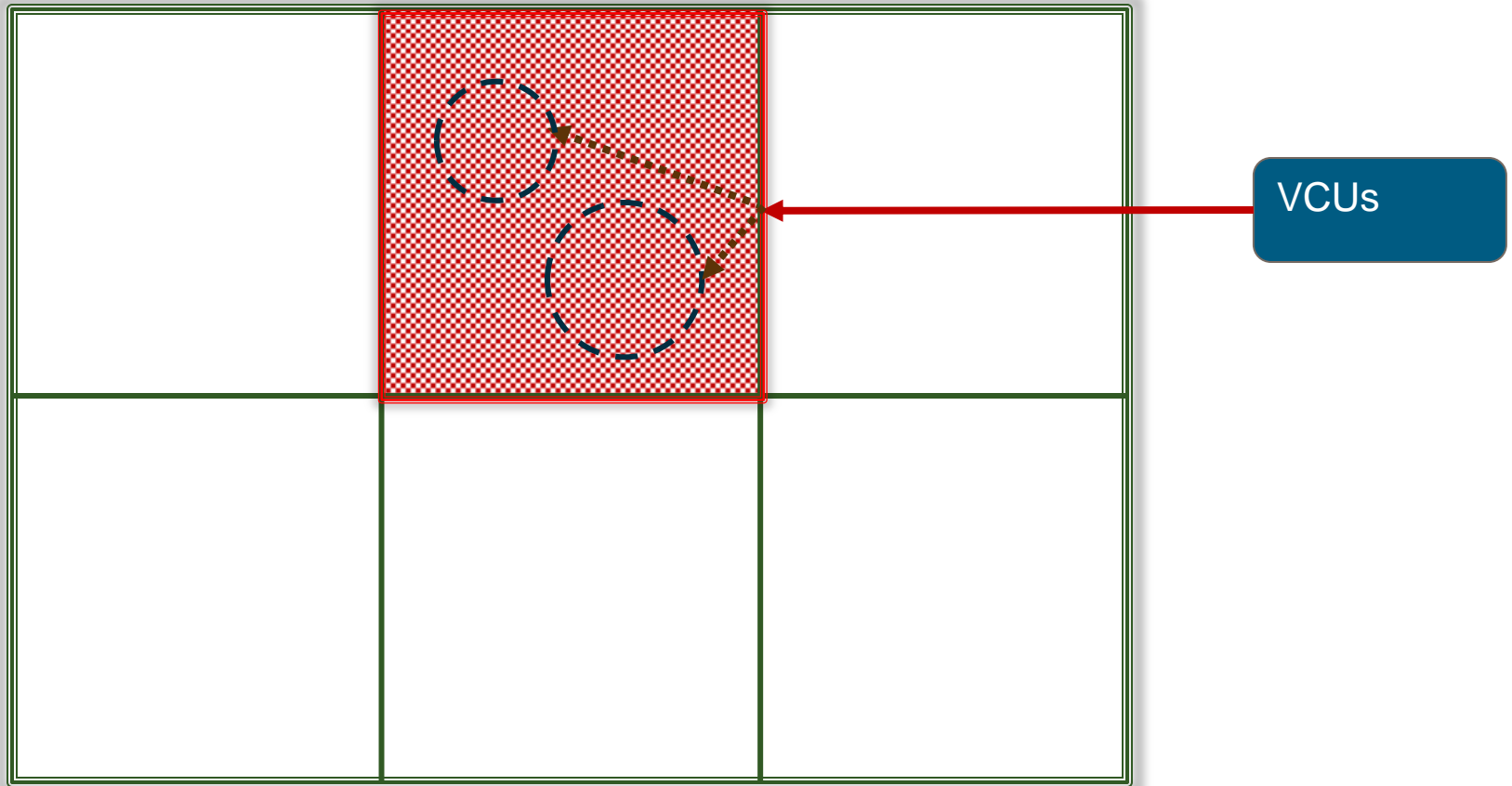
Option 2a variation (National and sub-national crediting, with internal allocation to projects)



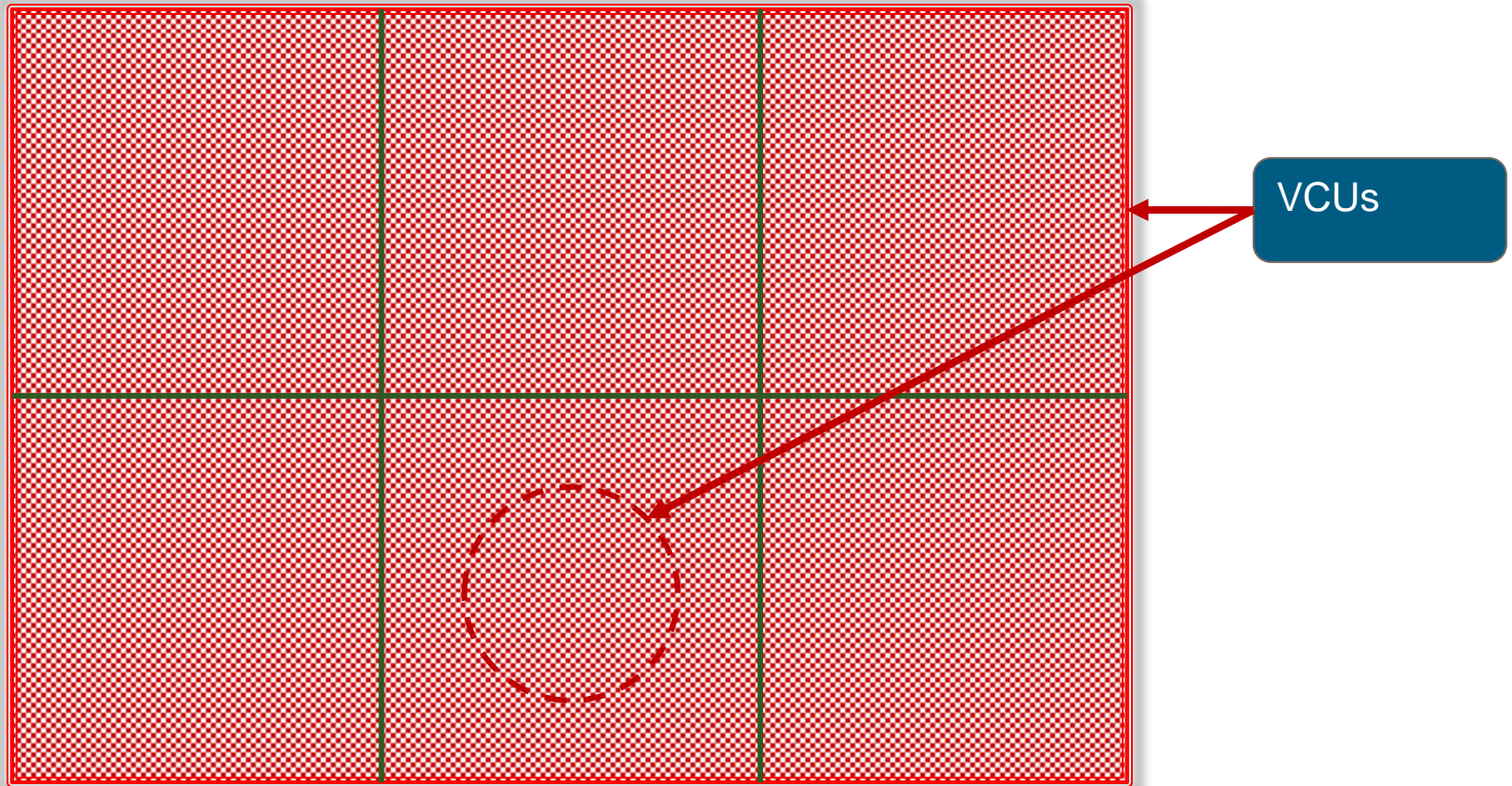
Option 2b (Sub-national jurisdictional crediting only)



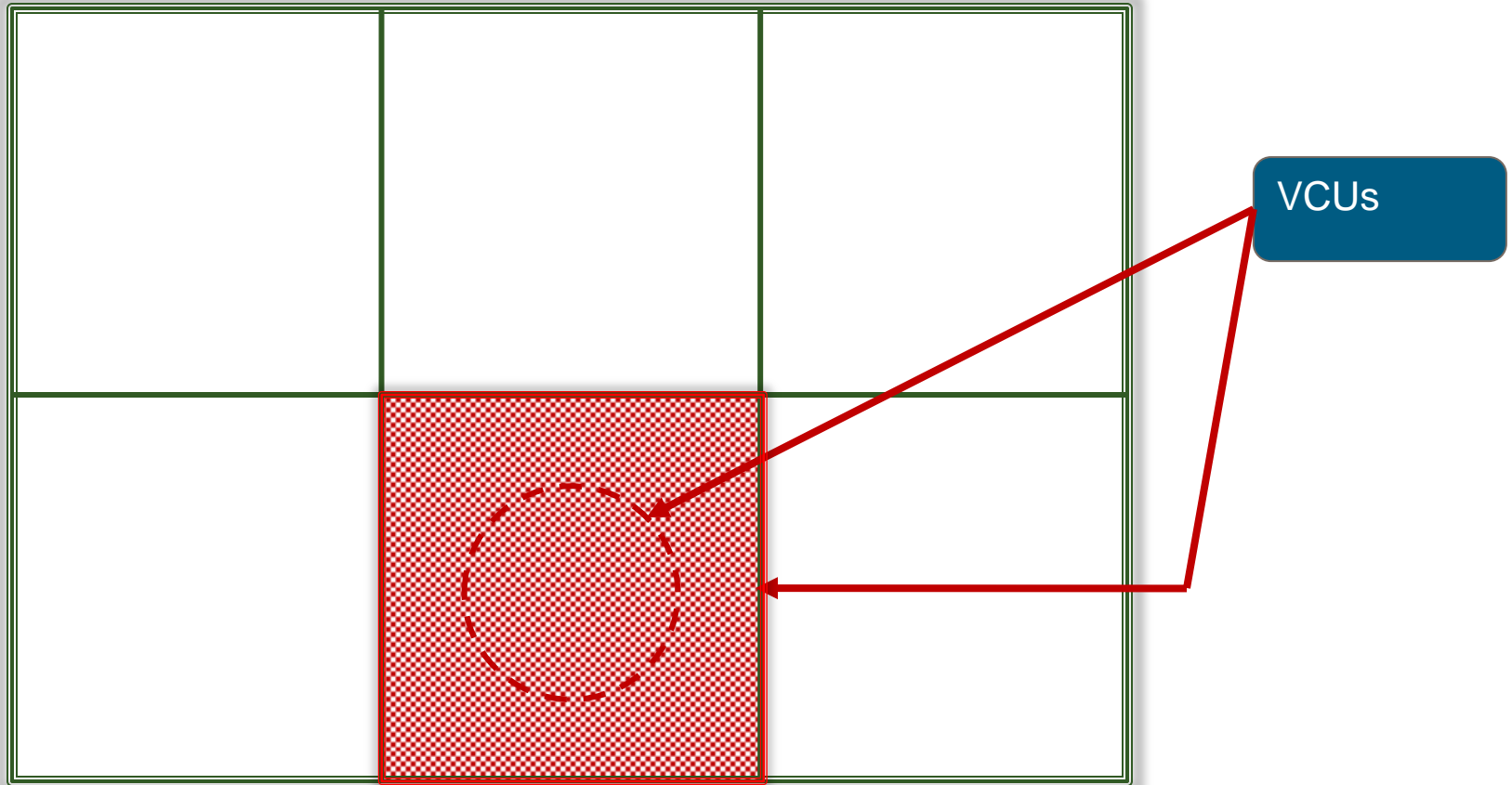
Option 2b variation (Sub-national jurisdictional crediting with internal allocation to projects)



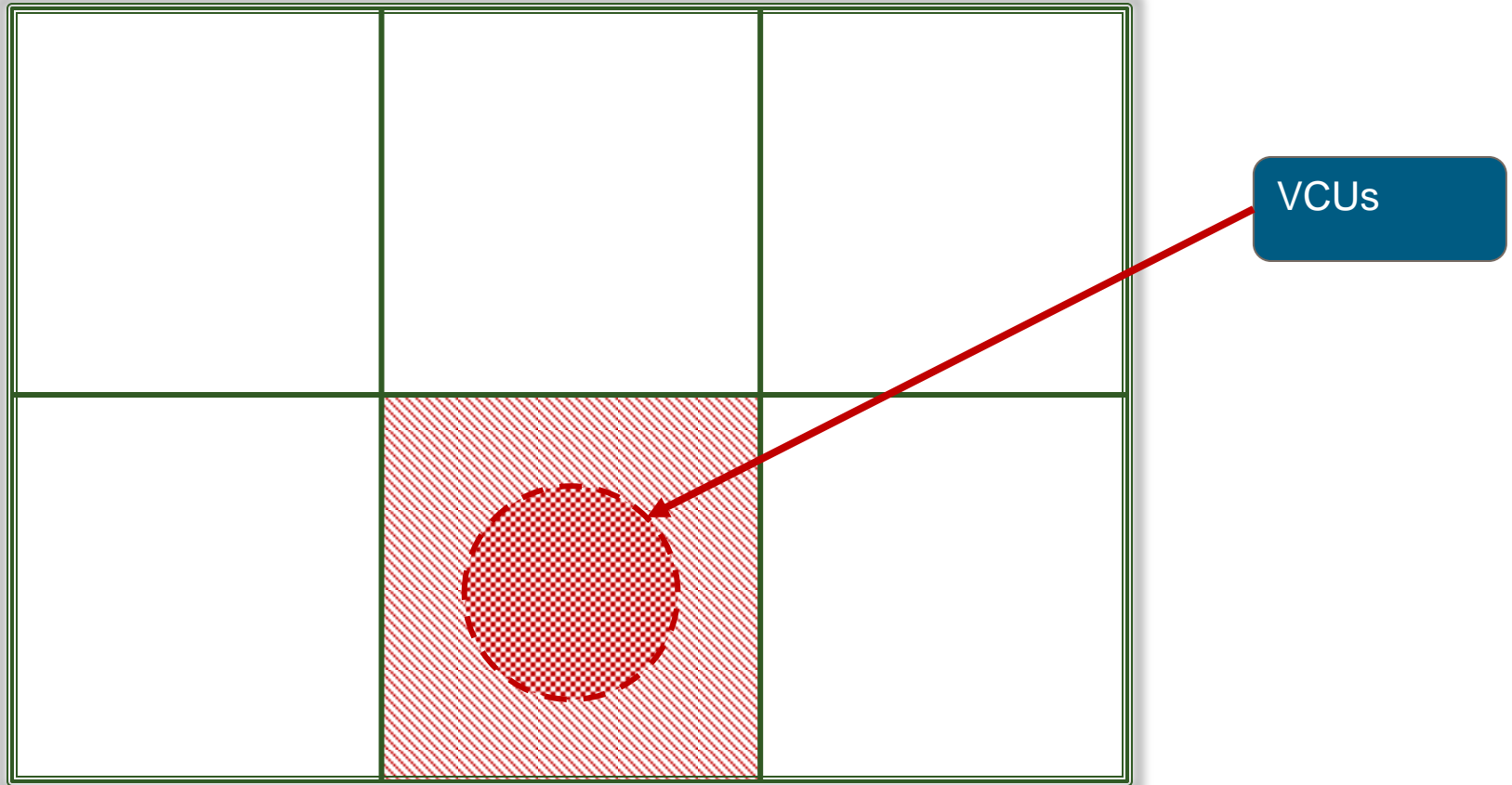
Option 3a (National and project crediting)



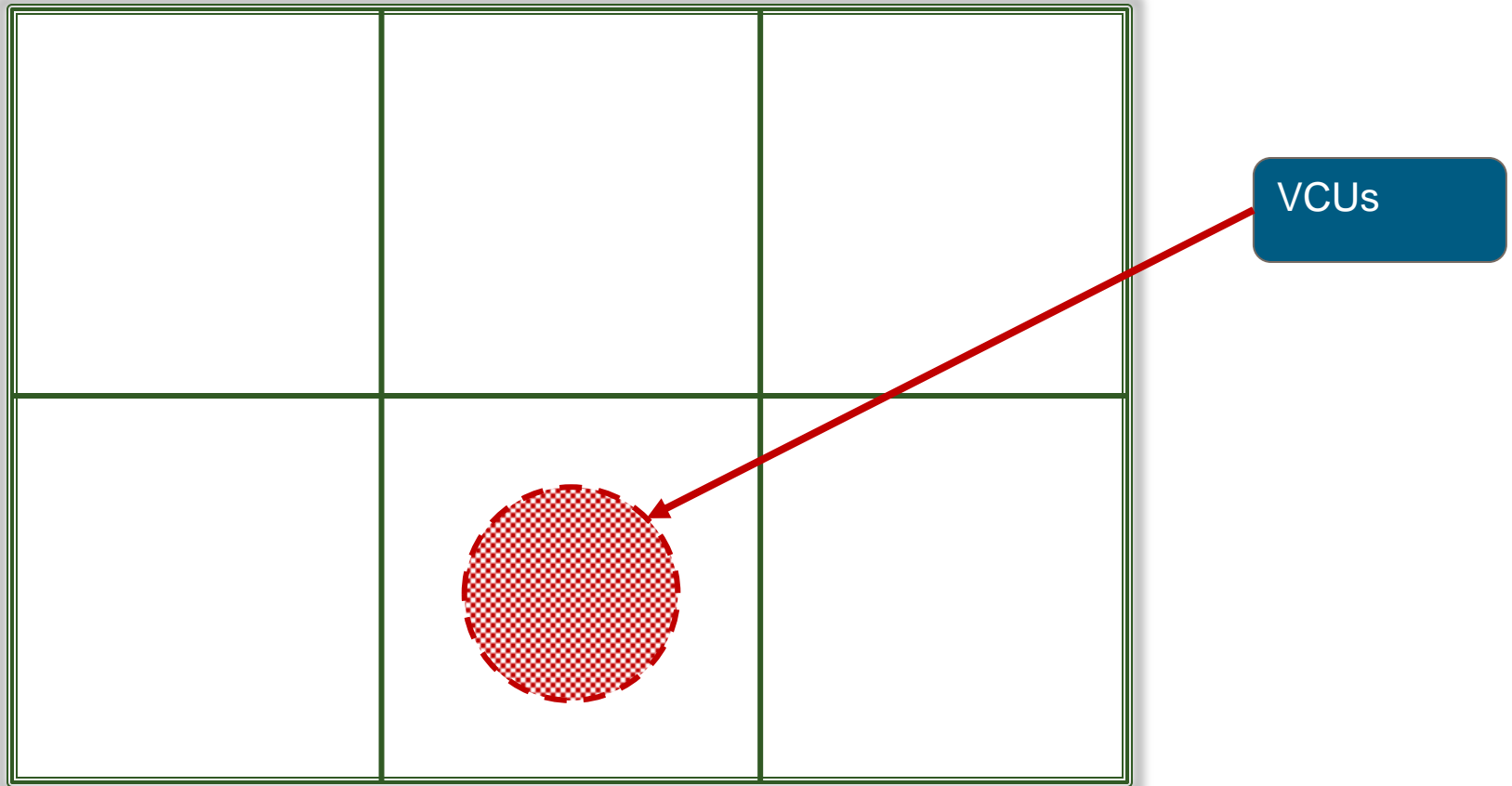
Option 3a variation (Sub-national and nested project crediting)



Option 3b (Nested project crediting only)



Option 3c (Stand-alone project crediting only)



Thank you... Questions?

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