



Voluntary Carbon Market
Emergent Ventures International Pte Ltd


Selling Carbon Credit in the Voluntary Carbon Market & Opportunities to Develop the Market in Thailand



Carbon Markets Standards & Registries



► Sustainable Solutions for the Environment



Voluntary Carbon Market - Standards

As in compliance market (CDM), voluntary credits are also validated & verified as per globally accepted standard by an accredited third party agency.

Additionally, sustainable co-benefits play an important role in buying decisions because, a buyer in voluntary market is not only looking at 1 ton of emission reduction but also long term benefits that accrue to the society from the particular project.

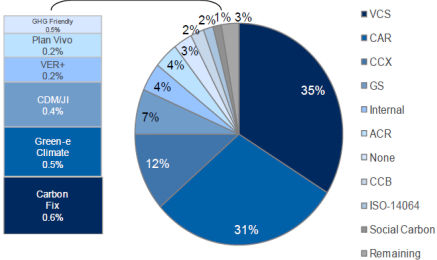
Some of the standards which are dominant in this market and their market shares:


Voluntary carbon standard


Gold Standard

Climate Action Reserve

Climate Community and Biodiversity Alliance









VCM – Standards comparison

	Voluntary Carbon Standard	Gold Standard	CCBA*
Additionality tests (relative to CDM)	Same as CDM - VCS aims to be a universal, base-quality standard with reduced administrative burden and costs	More than CDM - For large scale projects the GS requirements are the same as for CDM, but for small scale, the GS requires CDM additionality tool, unlike CDM	Same as CDM - CCBS aims to support sustainable development and conserve biodiversity
Project types	All except HFC	Energy Efficiency, Renewable Energy only	Land use, land use change and forestry
Start Dates	Version 2007: Validation must be complete within 2 years of commission date; Earliest start date being January 2002	Maximum 2 years back from the date of GS registration; Earliest start date being January 2006	No start date


* CCBA Climate, Community and Biodiversity Alliance

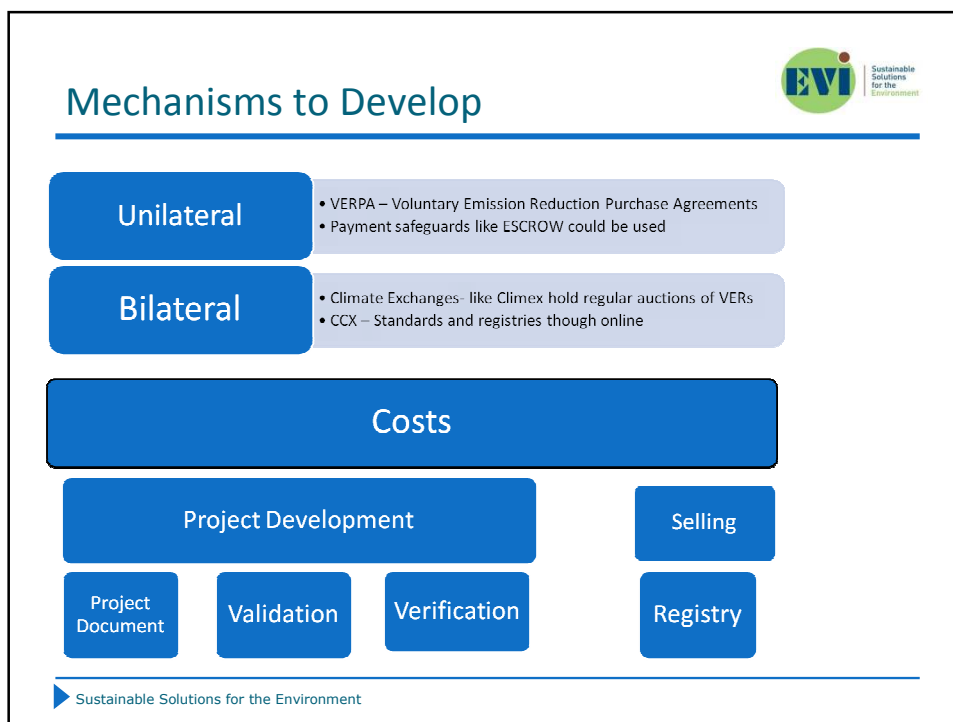



VCM – Standards comparison



	VCS	GS	CCBA
Crediting Period	3x10 yrs; AFOLU: 20-100 yrs	10 yrs/ 3x7 yrs	The CCBA is a Project Design Standard only and does not verify quantified emissions reductions
Third Party Verification	Yes	Yes	Yes
Co-benefits (relative to CDM)	Project document must include “relevant outcomes from stakeholder consultations and mechanisms for ongoing communication	* For Gold Standard VER, no public international stakeholder consultation such as for CDM is required. * NGO supporters of the Gold Standard must be included in all consultation rounds.	* Very well developed stakeholder process and stresses environmental co-benefits * 21-day public commenting period.
Price of offsets	USD 2.5-4	USD 8-10	USD 5-6







Mechanisms to Sell

OTC Transactions

- VERPA – Voluntary Emission Reduction Purchase Agreements
- Payment safeguards like ESCROW could be used


Exchange based auction

- Climate Exchanges- like Climex BV based at Netherlands hold regular auctions / reversed auction of VERs
- CCX – Standards and registries though online trading

Registry based selling

- Carbon offset registries keep track of offsets and are vital in minimizing the risk of double-counting, that is, having multiple stakeholders take credit for the same offset Registries also clarify ownership of offsets . APX, Markit, CDC, etc
- An increasing number of suppliers have begun using carbon credit registries to enable issuance of credits with a singular serial number, track credit sales, enable electronic transfer and retirement of credits, and have complete visibility of their carbon assets.
- A registry effectively converts a verified emissions reduction into a saleable asset with a unique identifier and complete transparency throughout the life of the credit. When connected to the financial market, a registry can also reduce delivery risk and facilitate lower cost transactions.

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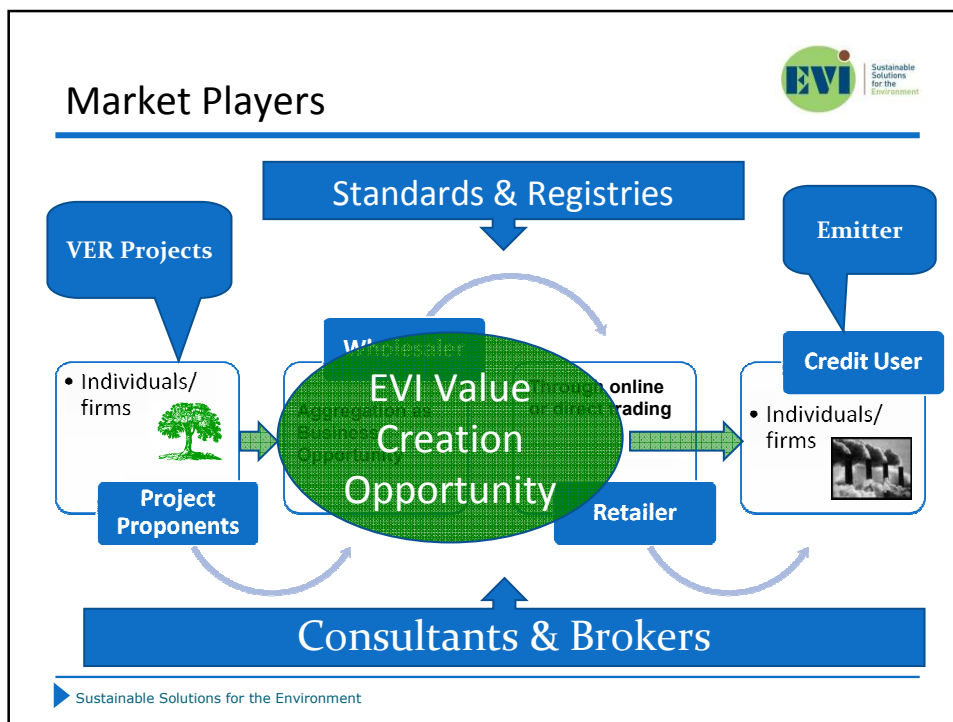
Voluntary market - Transactions

A constant complaint against voluntary carbon market has been the lack of transparency in transactions as there was no tracking of transactions etc. But, over the past three years, tracking ownership and credit issuance through a third-party registry has become increasingly essential for promoting liquidity and transparency in the voluntary market.

As a result, now most major standards are linked with a registry, thereby, minimizing the risk of double counting. Registries lead to:

- ▶ Clarification of ownership of offsets (Once a project is issued offsets by DOE, PD can list the credits on any registry (APX, Markit, CDC))
- ▶ Once on a registry, a serial number is assigned to each verified offset
- ▶ When an offset is sold, the serial number and “credit” for the reduction is transferred from the account of the seller to an account for the buyer
- ▶ If the buyer “uses” the credit by claiming it as an offset against their own emissions, the registry retires the serial number so that the credit cannot be resold

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EVI Advantage

EVI Sustainable Solutions for the Environment

- ▶ **Experience:**
 - ▶ One of the largest players in the voluntary market having transacted over 13 million VERs
 - ▶ Working on a portfolio of over 5 million VERs per annum
 - ▶ Extremely strong technical team working on all types of projects, working on over 300 carbon projects

- ▶ **Innovative Engagement Models:**
 - ▶ EVI can help project proponents in developing their projects in accordance with any of the voluntary standards and do so while giving the freedom of choosing a variety of commercial models including ones where the project proponent need not pick up any upfront costs for developing the voluntary carbon assets.
 - ▶ **EVI is open to finance the validation/verification for projects that meet its due diligence criteria.**

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THANK YOU

