

ENCOURAGING INNOVATION

An effective methodology is the cornerstone of any project that delivers real and verified greenhouse gas (GHG) emission reductions and credits..

What is a Methodology?

While a robust standard establishes high-level principles and requirements for reducing GHG emissions, a methodology sets out detailed procedures for assessing a project's eligibility, determining baseline emissions and measuring emission reductions from specific activities.

To that end, methodologies must be thoroughly assessed to certify they are both environmentally sound as well as practical. VCS offers a rigorous approval process to ensure the development of high-quality methodologies.

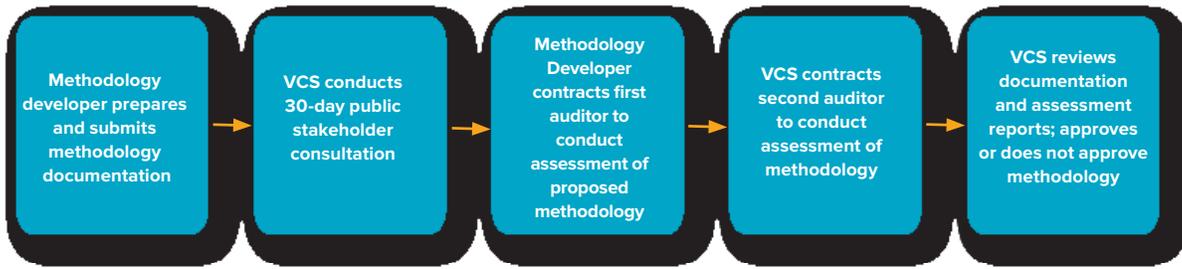
Project proponents are free to use any methodologies approved by VCS. Project proponents may also develop new methodologies and submit them to VCS for approval. Alternatively, projects may apply methodologies developed by programs approved by VCS like the UN Clean Development Mechanism or the Climate Action Reserve, provided the project fits the terms of that methodology.

Spurring Methodology Innovation

The VCS methodology approval process promotes bottom-up innovation by giving project proponents the flexibility to develop new approaches to GHG abatement. The process moves methodology development to the front lines of climate action, allowing practitioners to use their hands-on knowledge and experience to develop tools best suited to their project needs.



Project developers may submit methodologies for any sector or project type eligible under the VCS Program. These options can range from energy production and distribution, to waste handling and disposal, to forestry and agricultural land management.



Any proposed methodology is first posted on the VCS website for public comment. This process lasts 30 days. Next, the methodology is audited independently by two independent auditors, called validation/verification bodies (VVBs). The first is selected by the methodology developer; the second is chosen by VCS. This rigorous review ensures methodologies are scientifically and environmentally sound and meet all VCS criteria.

To ensure transparency, public information is disclosed at every stage of the process. As it progresses, the status of the methodology is updated on the VCS website. Completed assessments are posted with the methodology so observers can track changes.

VCS-Approved Methodologies

More than 20 VCS methodologies have been approved, which collectively reach all aspects of everyday life. Currently, methodologies and tools include approaches to promote more efficient detection of refrigerant leaks, improve jet engine efficiency, supply less carbon-intensive power to the grid, destroy ozone-depleting substances, and pre-drain methane from open-cast mines during mining operations.

Several methodologies have been approved for the Agriculture, Forestry and Other Land Use, (AFOLU) sector as well. In June 2010, the first AFOLU methodology — an approach for improving forestry management practices — was approved.

Since then, VCS has also approved the first methodology for Reducing Emissions from Deforestation and Forest Degradation, or REDD, in August 2010, and the first methodology of its kind for sustainable agriculture in December 2011. Several more methodologies covering all AFOLU project types — including Afforestation, Reforestation and Revegetation (ARR), Wetlands Restoration and Conservation (WRC), and Avoided Conversion of Grasslands and Shrublands (ACoGS) — have made or are making their way through the approval process.

Standardized Methods

VCS is also working to usher in next generation methodologies, known as “standardized methods,” that simplify and streamline the process of project development and approval. These provisions allow the use of “positive lists,” or pre-defined criteria of eligible



Stakeholders interested in developing a VCS methodology should contact secretariat@v-c-s.org

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project activities, and performance benchmarks, sector-wide targets that can be used to determine project eligibility and quantify GHG emission reductions.

By employing standardized methods, project developers tap into procedures that streamline the assessment of additionality, and in some cases, the determination of the baseline. Standardized methodologies will ultimately streamline project approval and credit issuance, as well as reduce transaction costs, thereby enabling carbon mitigation at a greater scale.

Standardized methods that are approved or under development include approaches for quantifying the GHG benefits of home weatherization, grassland conservation and wetlands restoration. Methodology developers interested in better understanding VCS standardized method requirements are encouraged to visit the VCS website and contact the VCS Association directly.

Incentives for Developing Methodologies

In order to spur innovation and reduce the costs related to methodology development, VCS rules allow

for methodology developers to recoup some costs related to their pioneering work. This is accomplished by rebating developers a small fixed amount for every Verified Carbon Unit issued to projects that apply their methodology. This mechanism encourages methodology developers to design approaches with broad applicability worldwide. This helps ensure methodologies are shared widely and minimizes the need to consolidate region-specific approaches. This expands the options for developing projects of all types and accelerates efforts to curb GHG emissions, allowing for the robust types of reductions needed ensure a healthy planet for our children and grandchildren



71,000,000+

Number of VCUs permanently retired, equal to the annual emissions of more than 13 million cars

Learn more at www.v-c-s.org/methodologies

Founded in 2005 by the Climate Group, the International Emissions Trading Association, the World Economic Forum and the World Business Council for Sustainable Development, the Verified Carbon Standard has become one of the world's most widely used carbon accounting standards. VCS has revolutionized the market developing trusted and innovative tools, as well as pioneering efforts to develop standardized methods that will streamline the project approval process, reduce transaction costs and enhance transparency. Across the world, projects using the VCS Standard have issued more than 150 million credits.



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