



VCS FACTS

VCS Project Cycle

HOW TO DEVELOP A VCS PROJECT

In order to issue Verified Carbon Units (VCUs) with the VCS Program, projects follow these five steps to demonstrate environmental integrity

Step 1: Choose a Methodology

A methodology sets out detailed procedures for quantifying the GHG emission reductions of specific project activities. VCS offers a range of pre-approved methodologies for projects in energy, mining, forestry, agriculture, waste disposal and other sectors. Projects may choose a methodology approved through the VCS Program or another approved program like the United Nations Clean Development Mechanism (CDM) or the Climate Action Reserve (CAR) (with the exception of their forestry protocol). Project proponents should ensure the methodology's applicability conditions are appropriate to the project location, activities, technologies and other specific circumstances.

Project proponents may also develop a new methodology for VCS approval if none of the current pre-approved methodologies meet their needs.

New methodologies must undergo a stringent assessment process to ensure all VCUs uphold quality assurance principles.

A complete list of pending and approved methodologies is available on the VCS website www.v-c-s.org.

Step 2: Describe and List Project

Project proponents must create a project description to demonstrate a project meets all the requirements of both the VCS Program and the applied methodology. The project description may be written after project implementation as long as the project validation is completed within the appropriate timeframe set out in the VCS Standard.

Project proponents must also list their draft project description on the VCS Project Pipeline, a section of the VCS Project Database for forthcoming projects. As part of this process, project proponents must open an account with one of two VCS registry operators (APX or Markit), both of which are directly linked to the VCS Project Database.

This allows projects to choose a preferred registry operator while still ensuring that all projects, documents and VCUs are transparently listed in the searchable database. Pipeline projects can progress to project registration after completing validation.

200+

Average number of VCS Projects registered every year

Step 3: Validate Project Description

Project proponents must contract an approved independent auditor, known as a validation/verification body (VVB), to determine whether the project complies with all VCS rules and requirements. All project descriptions must be validated against the VCS rules and project validation reports must be submitted to the VCS registry before projects can be registered.

All VVBs must be accredited by a member body of the International Accreditation Forum that has been approved by VCS (eg, the American National Standards Institute) or a Designated Operational Entity approved by the CDM. All VVBs must be approved to audit for the appropriate sector, and they must have signed an agreement with VCS.

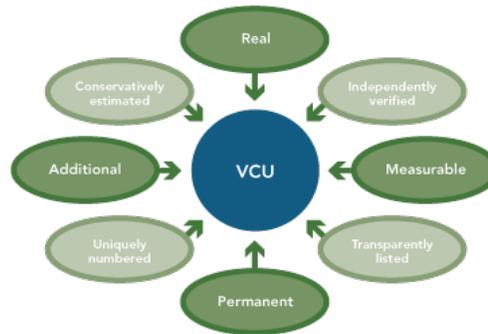
Step 4: Verify Emission Reductions

Once the project becomes operational, project proponents must follow the monitoring plan from their registered project description that details how to track and report the GHG emission reductions and other data relevant to the project. Project proponents document emission reductions in a monitoring report. A VVB is contracted to verify the reductions claimed in the monitoring report.

Step 5: Issue Verified Carbon Units

Finally, project proponents must submit a request to register their project and issue VCUs into their registry account. Upon receiving these requests, the VCS registry operator reviews the project documents for completeness. After the completeness check, project documents are passed to VCS for a final review before credits can be issued into a project proponent's account.

Each VCU is assigned a unique serial number so it can be tracked across its life cycle in the VCS project database. Project proponents may hold, sell or retire VCUs at their discretion; account holders are free to move VCUs between registry operators at any time. A permanent record of each VCU can always be found in the VCS project database.

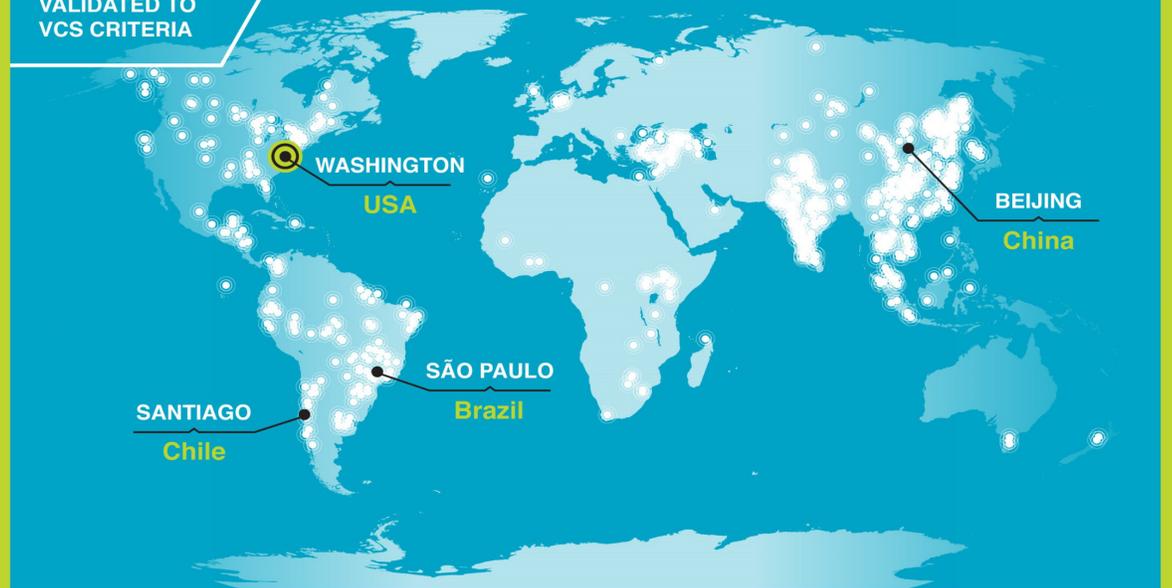


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Stakeholders interested in developing a JNR program or nesting a project in such a program should contact secretariat@v-c-s.org

MORE THAN
1,000 PROJECTS
VALIDATED TO
VCS CRITERIA

VCS | VERIFIED
CARBON
STANDARD



Projects can be developed under any of the VCS sectoral scopes:

- Energy (Renewable/Non-renewable)
- Energy Distribution
- Energy Demand
- Manufacturing Industries
- Chemical Industries
- Construction
- Transport
- Mining/Mineral Production
- Metal Production
- Fugitive Emissions from Fuels
- Fugitive Emissions from Industrial Gases
- Solvents Use
- Waste Handling and Disposal
- Agriculture Forestry and Other Land Use
- Livestock and Manure Management

Contact the VCS Secretariat

VCS staff are always available to assist project proponents with any questions they have about VCS. Questions or comments related to any aspect of the program should be directed to the VCS Secretariat at secretariat@v-c-s.org. To find a VCS registry or VVB, visit the VCS website: <http://v-c-s.org/develop-project>.



To date VCS projects have prevented more than 165 million tonnes of CO₂e from being released into our atmosphere

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

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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