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Revvng up the NZ VCM

A New Zealand perspective - the international voluntary carbon market

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Revvng up the NZ voluntary carbon market

- International voluntary market
- Relevance to New Zealand entities
 - access to units at competitive prices
 - opportunity to generate units, with possibility of project later becoming CDM
 - opportunity to act as consultants to those implementing projects
 - opportunity to sell New Zealand generated units to international entities
- Case study
 - Ulu Masen Avoided Deforestation project

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Ulu Masen Avoided Deforestation Project

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    graph TD
      GovtOfAceh[Govt of Aceh] -- VERs --> RMB[RMB]
      GovtOfAceh -- VERs --> CarbonConservation[Carbon Conservation]
      GovtOfAceh -- VERs --> PurchaserX[Purchaser X]
      GovtOfAceh -- $ --> FloraFauna[Flora & Fauna International]
      GovtOfAceh -- $ --> CCBA[CCBA]
      GovtOfAceh -- $ --> MerrillLynch[Merrill Lynch]
      NGOs[NGOs, e.g. Oxfam] -- Community --> UluMasen[Ulu Masen Avoided Deforestation project]
      UluMasen -- Monitor, measure, protect --> FloraFauna
      UluMasen -- Validation --> CCBA
      UluMasen -- VERs --> CarbonConservation
      CarbonConservation -- VERs --> MerrillLynch
      CarbonConservation -- VERs --> PurchaserX
      MerrillLynch -- VERs --> A[A]
      MerrillLynch -- VERs --> B[B]
      MerrillLynch -- VERs --> C[C]
  
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Features to note

- **Validation - respected auditor / standards**
- **Use of broker to access buyers**
 - return on investment
 - exclusive / non exclusive brokerage
- **Involvement of NGOs**
- **CSR benefits**
- **Potential ability to convert to CDM**
- **Risk Management Buffer (RMB)**
 - no guarantee of permanence
 - diversification of risk
 - attractive to purchasers

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Key observations for NZ entities

- **Developing entities looking for “fair deal”**
 - carbon novices
 - commercially astute
- **Timeframes**
- **Money important for developing entities**
 - option payments
 - assistance with scoping reports / validation
- **Global access to VERs and to purchasers**

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Thank you

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