



DEDICATED TO MAKING A DIFFERENCE

New Zealand Business Council
for Sustainable Development

DRAFT

Voluntary Carbon Market Opportunities

Introductory Comments

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Voluntary Carbon Market Opportunities

Oceania Room, Te Papa, Wellington



Why Does the Business Council have an interest in the Voluntary Carbon Market?

- 1) We have observed that many companies after measuring their carbon footprint discover that their emissions are quite modest and that reducing and offsetting their emissions and even achieving Carbon Neutrality is feasible.



Why Does the Business Council have an interest in the Voluntary Carbon Market?

- 2) We have seen in our polling and that of others that the sustainable consumer is real but wants to buy “authentic” environmental benefits. We advise businesses that “green wash” is a highly counterproductive strategy.



Why Does the Business Council have an interest in the Voluntary Carbon Market?

- 3) We want businesses, households and other organisation's to take cost effective actions to reduce emissions. Provided an emission reduction is real, additional and is not double counted then the atmosphere and the planet does not care whether it was a voluntary or compliance market that delivered the reduction in emissions.



Why Does the Business Council have an interest in the Voluntary Carbon Market?

- 4) Once the climate change skeptics got beyond calling climate change a ‘green hoax,’ then if it was real but it shouldn’t be a priority, then fixing it is too expensive, then if it’s not so expensive it will be a burden on trade exposed firms and the poor. When every other argument for inaction or delay fails they then say yes but the offset and CDM’s markets are a sham, similar to buying meadieval indulgences and you can’t be sure the emission reductions are real or haven’t been sold 3 times.



Why Does the Business Council have an interest in the Voluntary Carbon Market?

The Business Council has the view that while there will be some convergence between the voluntary and compliance market the voluntary market will be around for a very long time and is likely to be the place where most innovation occurs.



Why do we have this view?

- Even in an all sectors all gases world market for emissions trading firms, households and institutions will want to go further than other companies when they can afford it and there are branding benefits.



Why do we have this view?

- As the ETS even in New Zealand is phasing in relatively slowly there will be places where cost effective actions should be encouraged prior to a sector entering into the ETS scheme.



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For Example...

Prior to

2010 for stationary energy

2011 for liquid fuels

2013 for agriculture and methane reduction at
landfills



Issues: Questions rather than Answers

- 1) Is the proliferation of “carbon standards” an issue and if not how do we ensure participants in the voluntary carbon market know what they are buying?
- 2) How do we ensure that voluntary actions to reduce emissions are recognised and tradable when a compliance market covers the same sector?



Issues: Questions rather than Answers cont.

- 3) How do we ensure that voluntary carbon initiatives are genuinely additional, permanent, verifiable and don't include double counting or encourage leakage?
- 4) How do we address to quirks in the rules such as The Voluntary Carbon Standard where if credits will not be given in a sector subject to compliance market coverage?



Issues: Questions rather than Answers cont.

- 5) Can we provide certificates of recognition or even tradable credits for initiatives such as soil carbon projects or post harvest carbon storage in wood even if there are not part of the current Kyoto scheme?
- 6) What should be business or stakeholder lead and what needs to be Government lead to develop a healthy and effectively voluntary carbon market?