

State of the Voluntary Carbon Markets 2012:

Post-launch Summary of Fundraising, Content and Outreach

Mitigating extreme climate change is invaluable, but cutting carbon emissions comes at a price. Understanding what drives that price – from contract structures to technologies – gives market players the transparency they need to make decisions that minimize risk and spur investments.

Published by Ecosystem Marketplace and Bloomberg New Energy Finance for 7 years, The *State of the Voluntary Carbon Markets* (SOVCM) reports have an established track record of offering this kind of valuable market intelligence – answering questions like, “How big is the market?”, “What’s being traded?”, “Who’s buying and selling, and at what price?”

This information is more relevant than ever to decision-makers in every sector, as...

- Voluntary corporate climate actions and top-down regulations converge
- Emerging economies leverage the voluntary carbon markets’ existing infrastructure to underpin new marketplaces
- Companies warm to the business case for offsetting as a hedge against reputational and regulatory risk; to sustainably improve agricultural yields; connect with clients; green their supply chains; and many other motivations.



“This report is the most valuable piece of market intelligence available in the voluntary carbon industry – it is the only basis we all have for assessing the reality of voluntary carbon markets.” – *Timotheé Lazaroo, Partner, ecosur america*

Table I: Who is reading the SOVCM and why:

Regulators	Many national government agencies – including the Ministry of Environment Japan , Thailand Greenhouse Gas Management Organization , Low Carbon Australia and South Africa Department of Environmental Affairs – have reportedly utilized the report to inform the design of domestic offset programs.
Non-Governmental Organizations	In addition to the tens of thousands of NGO-based readers that download and reference the SOVCM every year, Ecosystem Marketplace has offered in-depth analysis, free of charge, to organizations including the Clinton Foundation , the Global Alliance for Clean Cookstoves , C40 Cities and many others.
Multilaterals and investors	Ecosystem Marketplace’s <i>State of</i> research has been read and referenced – and in some cases supported – by the World Bank’s BioCarbon Fund , Forest Carbon Partnership Facility , IFC , UNEP , UNDP – and investors from Althelia Ecosphere to Macquarie .
The Carbon Community	Over 300 carbon offset project developers, consultants, intermediaries and other suppliers provide us with valuable data and insights – and represent 10,000+ industry readers worldwide that directly benefit from enhanced market transparency and reflection

The 2012 Report: Finding the Market

The 2012 edition of the *State of the Voluntary Carbon Markets* report – the sixth in this market series – tracked a larger number of...

- Survey respondents
- Headquarter countries
- Project locations
- Project types

...than ever before! To strengthen our market coverage, we...

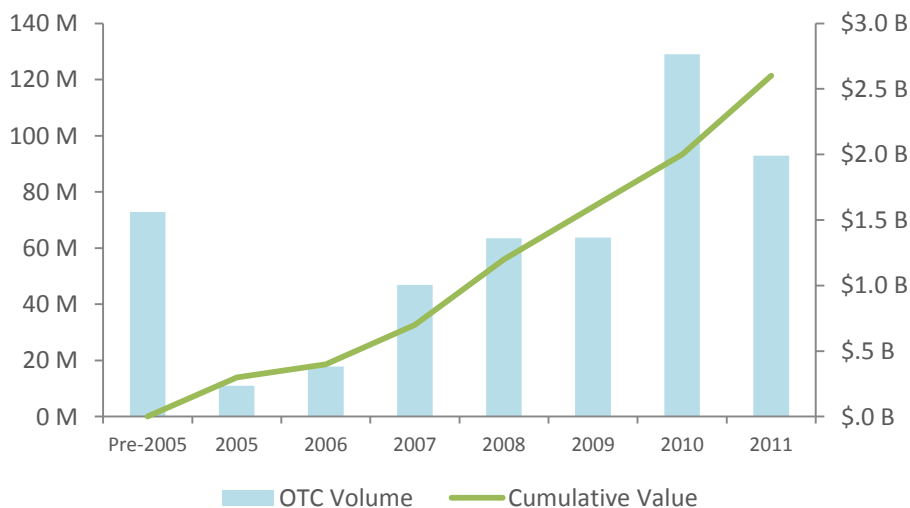
- Translated and distributed the survey and analyzed survey results in four languages (English, Mandarin, Spanish, Portuguese)
- Translated and distributed the Executive Summary and additional media outreach in Spanish
- Built a proprietary survey platform, tailored to our respondents' needs and generally bug-free
- Issued a BusinessWire press release (recognizing all sponsors and supporters) that reached an additional 365+ media outlets internationally
- Expanded our extensive data collection to third-party standards, registries and verification bodies

We took cues from an **extensive stakeholder feedback process** conducted in fall 2011 to update report contents. These updates lent new relevance to our analysis and paved the way for new and future lines of inquiry. Readers have already responded positively – and we hope the report's increased sophistication will make its continuation more attractive to future funders.

What's New in 2012?

- **Price data** presented according to variables that stakeholders cited as “highly relevant;” charted against transacted volumes in a stock chart format to contextualize price fluctuations (e.g. *Figures 20 & 29*)
- **Deep dives into popular emerging project types**, like clean cookstoves and REDD, and debated topics like suppressed demand baselines (*Box 2, p. 20*) and individual investment schemes (*p. 39*)
- **Forward price trends** for variables with sufficient new project investment (e.g. *Figures 22 & 24*)
- **Detailed price information** for the markets' most popular project types, exploring price by project standard, stage *and* volume for VCS forestry, Gold Standard cookstoves, and others (*Fig. 31*)

FIGURE I: HISTORICAL TRANSACTION VOLUME AND CUMULATIVE VALUE, OVER THE COUNTER VOLUNTARY OFFSET PURCHASES



- **Separate, detailed data collected from registries and standards** to, for the first time ever, compare verification and issuance volumes (supply) against transaction volumes – by project location, third-party standard and registry (*various sections*)
- **Tracking of buyers' sectors, country locations, motivations and profit types** – reported as buyer “types” to establish statistical relationships between these variables and to compare buyer locations at the country-level for the first time ever (*p. 37-44*)
- **Special section that summarizes all report data by region**, providing a mini-report within the SOVCM for readers with particular geographic interests (*p. 45-58*)
- **Special section on California ETS offsets** that enables us to highlight this critical information *and* focus more elsewhere on the main topic of “purely voluntary” transactions (*p. 47-50*)
- **Detailed profiles of all active third-party standards**, for the first time ever tracking historic to recent verified, issued, transacted and retired volumes, prices and other variables (*Annex A*)
- **Broad based peer review conducted prior to report launch**, with input from stakeholders from a variety of geographies and market positions

Launch Time: Report events, media recognition and downloads

Report Launches: The 2012 edition was launched on May 31st, 2012, at an official side event at **Carbon Expo in Cologne, Germany**. The event was noted by many as the most anticipated and popular of all side events at the conference – it showed, as the event itself was standing room only. Attendees were estimated at over 100, and panelists included representatives from ICROA, the Santiago Climate Exchange, Permian Global and Forest Carbon Group – the event host.

The report was also launched in **North America at the Washington DC offices** of law firm Baker & McKenzie, the event host. Another 90 attendees sat in for this event, chaired by report co-author Kate Hamilton with panelists from Ecosystem Marketplace, Baker & McKenzie, the American Carbon Registry and Verified Carbon Standard.

Table II: Media Recognition

The report findings were featured in original content written by the following media outlets...

Thomson Reuters	Environmental Finance	Mongabay
Environmental Leader	Al Jazeera	Climate Spectator
Green Biz	Instituto Carbono Brasil	Environmental Economics
Triple Pundit	Point Carbon	Bloomberg News

...and referenced by name or direct use of press release or data by 365+ media outlets, including:

The New York Times	Boston Globe & Herald	San Francisco Chronicle
Miami Herald	Dallas Morning News	Vancouver Sun
CNBC	CNN Money	AFP
The Associated Press	WABC 7 / New York City	BusinessDay (SA)

Downloads: Below is a summary of reader information collected since the report's launch. Based upon trends tracked throughout the lifetime of this report series, the cumulative number of downloads will increase steadily throughout the year due to citations, use in presentations and online links. As of July 1:

- In one month, the report saw **over 4,000 direct downloads** from the Ecosystem Marketplace website
- Readers have so far hailed from 31 countries, including the following locations and companies (top 15):

Table III: Reader Summary

Top Reader Locations, June '12		Example Reader Companies and Organizations, June '12	
1	California, United States	UNFCCC	UK Forestry Commission
2	Washington D.C., United States	CA Air Resources Board	CSIRO
3	New York, United States	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	
4	British Columbia, Canada	Hyundai Steel	Danone
5	England, United Kingdom	UNDP/UNEP	Althelia Fund
6	Berlin, Germany	General Motors	NORAD
7	Texas, United States	USDA	Standard Bank
8	France	French Ministry of Agriculture, Food and Forests	
9	Italy	Bank of America, Merrill Lynch	ANZ Bank
10	Switzerland	Holcim	Chevron
11	Oslo, Norway	Intel	UN Foundation
12	Sweden	Korea Energy Management Corporation (KEMCO)	
13	Illinois, United States	Japan METI / MOEJ	NedBank
14	Spain	Xcel Energy	American Electric Power
15	Other	UK DFID	La Poste

Looking Ahead: Timeline to V-Carbon V. 7.0

With *Developing Dimension: State of the Voluntary Carbon Markets 2012* now freely available [on the Ecosystem Marketplace homepage](#), we will turn to fundraising for the 2012 *State of the Forest Carbon Markets* report. From this edition, expect the same attention to new (and more!) data, new developments and directions within the realm of forest carbon project development and project finance.

Below is a high-level schedule of activities for Forest Trends' Ecosystem Marketplace Carbon Program. We welcome your input and continued support and look forward to working with you as we advance with this exciting work program!

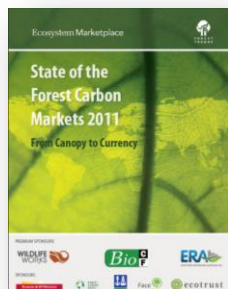
Anticipated Timeline of Work, Ecosystem Marketplace Carbon Program:

- Jul. – Aug. 2012: Fundraising for the *State of the Forest Carbon Markets* report
- Jul. – Sept. 2012: Producing *State of the Forest Carbon Markets* report (**launch late September**)
- Sept. – Oct 2012: Stakeholder feedback process, *State of Carbon Markets* reports
- Oct. – Dec. 2012: Fundraising for the *State of the Voluntary Carbon Markets* report
- Feb. – Jun. 2013: Producing 2013 edition of *State of the Voluntary Carbon Markets* report, pending sufficient funding (typical launch date May 2013)

Support the Next Series: Join our upcoming year's coalition of donors and supporters

Forest Trends' Ecosystem Marketplace is the world's only organization tracking private sector payments for the full range of ecosystem services and providing that information free of charge. Ecosystem Marketplace's Carbon Program, specifically, publishes internationally recognized information about global demand for carbon offsets – and the spectrum of pro-climate projects and market innovations they support. Contact [Molly Peters-Stanley](#), carbon Program Manager, for more information.

EM Carbon Program's **anticipated products in 2012-2013** include:



State of the Forest Carbon Markets 2012

Third edition

Expected publication date: September/October 2012

Average annual direct downloads: 12,000+

Participation rate: Tracks 500+ forest carbon projects and **millions of \$ invested worldwide**

Tracked exclusively in this report: Project investment and environmental impacts, project location, type, tenure, stage, buyer profiles, projections

New in 2012: Status of integration with **jurisdictional baselines**; direct investment as proportion of project finance; **audit costs**; what *should* the price of forest carbon be?; how are deforestation drivers addressed?

Outstanding project needs: **US\$45K**



Taking Stock of Emerging Carbon Markets 2013

Second edition

Expected publication date: February 2013

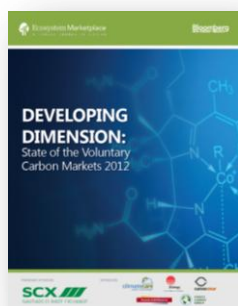
Average annual direct downloads: 8,000+

Participation rate: Intimately tracks **1 dozen+ national and sub-national governments** voluntarily implementing domestic carbon markets to ready for integration with international climate frameworks – or incentivize climate action above and beyond existing regulations

Tracked exclusively in this report: Domestic **value created and GHG impacts**; program design; offset project standards, registries, auditors; enabling regulation; value and supply outlook

New in 2013: Program design case studies (British Columbia, Oregon, United Kingdom, Australia, New Zealand, California, Costa Rica); **survey-based outlook on government sentiment** toward domestic and independent market mechanisms – and resulting market scenarios

Outstanding project needs: **US\$40K**



State of the Voluntary Carbon Markets 2013

Seventh edition

Expected publication date: May 2013

Average annual direct downloads: 20,000+

Participation rate: Tracks over 300 offset suppliers and **billions of \$ invested worldwide**

Tracked exclusively in this report: Project investment and environmental impacts, project location, type, stage, in-depth buyer profiles, projections, intersection with **sustainable development objectives**

New in 2013: Market relationship with development NGOs and multilaterals; emerging mechanisms for project crediting in LDCs; distribution of project revenues to **on-ground stakeholders**; basic buyer survey

Outstanding project needs: **US\$75K**