



*Secure Sustainability*

# PROTECTING THE GIANTS<sup>®</sup>

## — VVCC<sup>®</sup> SCHEME —

**VOLUNTARY VINTAGE CARBON CREDITS<sup>®</sup>**

**OUTLINE: AOTEAROA-NEW ZEALAND**

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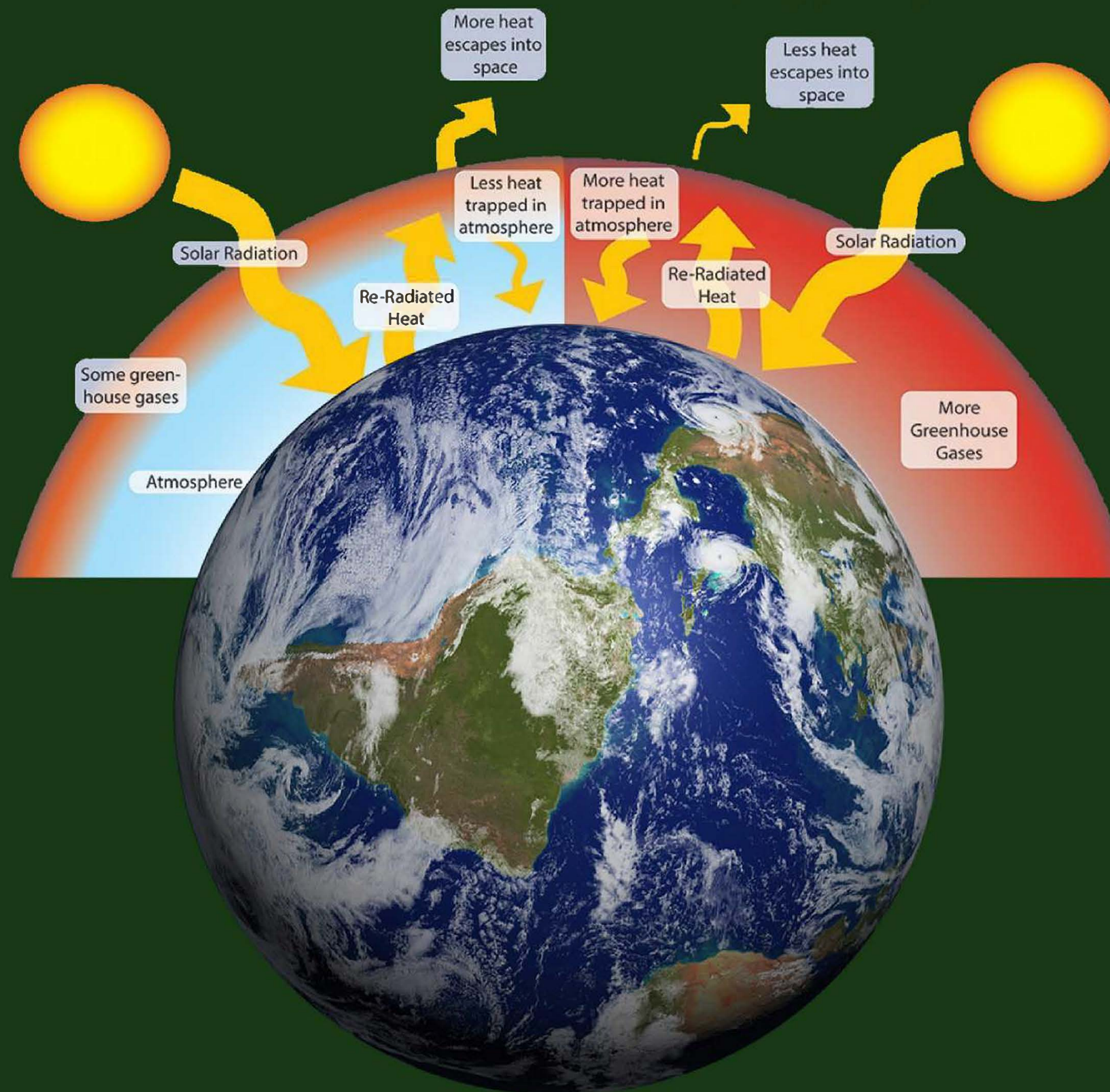
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**PROTECTING THE GIANTS®**

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## GREENHOUSE EFFECT NORMAL CO<sub>2</sub>

## GREENHOUSE EFFECT RAMPANT CO<sub>2</sub>



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## THE PROBLEM OF CLIMATE CHANGE

Excessive fossil-fuel sourced Carbon Dioxide (CO<sub>2</sub>) emissions disturbing the atmosphere. Forests reduce this effect by storing carbon dioxide in trees and other vegetation.

*Image: Adapted from US National Park Service 2020*

# VOLUNTARY CARBON CREDITS

One carbon credit represents storage of one metric tonne of CO<sub>2</sub>e

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# COMPLIANCE CARBON CREDITS



## VOLUNTARY – VVCC® (NZ)

- Voluntary private scheme - avoided deforestation
- Demand from New Zealand clients for a voluntary credit scheme to reward them for preserving their Pre-1990 native forests
- Preventing emissions from old forests by preserving those that don't qualify for government ETS and have no absolute legal protection from clearing
- Certain overseas voluntary forest credit schemes found to be fake
- VVCC® Scheme validated by internationally recognised independent climate expert
- Historical overseas prices \$USD1.50 - \$USD16
- NZ prices \$NZD1.50 - \$NZD100
- Big gap in voluntary market – large lack of authentic supply



## COMPLIANCE - NZETS

- Government scheme
- Aotearoa - New Zealand the only country with a proven Forestry ETS
- Post-1989 (young) forests only
- Historical prices \$NZD2.00 - \$NZD87
- Current spot price \$NZD62.75
- Climate Change Commission recommendation to NZ Government \$NZD171 - \$NZD241

*Note: Spot prices need daily updating*



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**AOTEAROA  
NEW ZEALAND  
PERMANENT  
HIGH QUALITY  
CARBON STORAGE  
VVCC®**



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# VVCC<sup>®</sup> SCHEME OUTLINE



## VVCC<sup>®</sup> STRUCTURE (NZ)

- 1) Hybrid of proven NZ Forestry ETS
- 2) Voluntary credits for Avoided Deforestation
- 3) Forests must not have any form of absolute legal protection from clearing, eg. forests in QEII covenant areas, reserves, national parks don't qualify
- 4) Owners must legally commit to never clearing the trees (notice on title). Penalty credit loss + 100%
- 5) Fire and storm insurance, temporary adverse event
- 6) The forest must be mapped professionally using GIS
- 7) Credits can be issued based on winter-time forest plotting and/or by satellite forest biomass measurements
- 8) Triennial forest plotting and monitoring. Spot audits
- 9) More credits can be issued as the forest grows
- 10) Forest and its credit yield are verified by GreenXperts Limited to ISO standards and government guidance
- 11) Verification report should be audited by another party
- 12) Credits can only be sold once, then retired. They are not tradable on an on-going basis
- 13) Credits are sold on Carbon Equities NZ (CEQ) platform



## QUALIFICATION CRITERIA (NZ)

- 1) Forest Definition: Aotearoa-New Zealand native forest established before 31 December 1989
- 2) Legal Status:
  - a) Doesn't qualify for NZETS
  - b) No absolute legal protection from clearing
  - c) Not in QEII covenant, nor any other legal reserve that prevents clearing
- 3) Forest Age: 33+ years – age stated  $\pm 50$  years
- 4) Size: >1 hectare
- 5) Forest Type: native forest by ecotype, eg. regenerating kauri/tōtara WF11
- 6) Crown Cover: >30%/ha
- 7) Average width: >30m
- 8) Height: >5m
- 9) Logging History: if yes, dates and extent if known, mapped if possible
- 10) Potential Timber Yield: potential commercial timber yield defined
- 11) Forest Management Policy: Permanent Conservation

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## REGISTRATION PROCESS

- 1** Application Form and Application Fee  
✓
- 2** Site Visit and Drone Survey  
✓
- 3** Carbon Count (winter forest plot and/or satellite)  
✓
- 4** Verification Report and Audit Report  
✓
- 5** WCC Listing and Sale

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## PROJECT OPTIONS AND FEES

- 1) Eligibility Check \$200 + GST per title, desk-top report only, two weeks delivery time
- 2) Feasibility Study includes site visit and drone survey, \$TBA, four weeks delivery time
- 3) Full Verification, application fee \$NZD1,500 + GST, project verification report (including audit fee), marketing assets (eg. drone display video) \$TBA, six weeks delivery time
- 4) Monitoring programme and fees by agreement
- 5) Legal costs for title registration paid by forest owner
- 6) CEQ listing free, negotiated royalty percentage on sale
- 7) Escrow process for sale of credits
- 8) Formal contract agreement required for VVCC (NZ) commitment
  
- Notes: Delivery times and fees depend on size of forest and accessibility.  
\$TBA – fee to be advised



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