



Press Release

3C arguing for global code of best practice for carbon offsetting

Frankfurt, January 25th, 2007. Frankfurt-based 3C Group has been asked by the British Department for Environment, Food and Rural Affairs (DEFRA) to comment on a proposal on “Establishing a voluntary Code of Best Practice for the provision of carbon offsetting”.

Dr. Sascha Lafeld, Member of the Board of 3C Holding AG, highly welcomes the UK government’s initiative for a voluntary carbon offsetting code on a high quality level: “The still young and therefore fragile carbon offset market is very inhomogeneous in terms of quality and needs standardisation in order to ensure credibility and further growth.” He added that 3C is very much supporting the aims of such a code, since only a transparent and reliable standard for carbon offsetting will lead private and corporate clients to accept such services and thus facilitate the development of the voluntary carbon market. On that condition the voluntary carbon market could truly become a complement to the mandatory emissions trading schemes.

Contrary to DEFRA that is trying to develop a standard for the UK only, 3C argues for an EU or even UN driven strategy towards a ‘Code of Best Practice’. Since the carbon market is a global market, an international code is necessary to allow consumers and corporations to compare the different services of carbon offset providers.

For Lafeld, there is no need for putting the standard to be developed into legislation. Once the voluntary offset market is more mature, the market will be consolidated like any other market even without government interference. The low quality carbon offset providers will lose market share because of their lack of credibility. “Therefore, we do not see the necessity for legislation – the market itself will take care of it”, Lafeld stated.

3C agrees with the DEFRA proposal that Certified Emission Reductions (CERs) emerging from the Clean Development Mechanism (CDM) and Emission Reduction Units (ERUs) emerging from Joint Implementation (JI) are very well suited for the voluntary offset market. However, 3C also very much supports the inclusion of Verified Emission Reductions (VERs) in the code, which has not yet been considered by DEFRA. 3C itself ensures transparency, high quality and credibility of its VER project portfolio by applying the VER+ standard, jointly developed by 3C and the globally active Munich-based verifier TUEV SÜD. The VER+ standard serves as a minimum standard for 3C, whereas Gold Standard CERs and VERs are also supplied by 3C. Although the project cycle and additionality requirements are not very different from the CDM process, the VER+ process offers some facilitations and possibilities to reduce transaction cost in comparison to the CDM process. E.g. there is no necessity for host country and investor country approval letters, the validation and verification can be conducted by the same Designated Operating Entity (DOE) and no administration and registration costs for the CDM Executive Board must be paid. This can help realise projects that might not be feasible under the CDM process.



Against the background of its position as one of the global market leaders in the carbon offset market 3C appreciates to support the future discussions around the upcoming standard to be initiated by DEFRA.

3C Group

Under the roof of 3C Holding AG, the 3C Group consists of 3C Consulting GmbH and 3C Markets AG located in Bad Vilbel/Frankfurt, Berlin and Santiago de Chile.

3C Consulting GmbH is the world's leading company specialised in the development and implementation of carbon offset programmes for corporations and events. With its Carbon Investment Advisory Department 3C Consulting GmbH also provides the link between carbon commodity markets and financial markets and offers fund managers comprehensive expertise on Carbon Funds and the project based Kyoto-mechanisms. Furthermore it offers tailor-made services regarding the evaluation and implementation of CDM and JI projects as well as the marketing of emission reduction credits.

3C Markets AG, founded in spring 2006, provides consulting services to the industry regarding tailor-made emission trading strategies especially for the EU Emissions Trading Scheme.

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