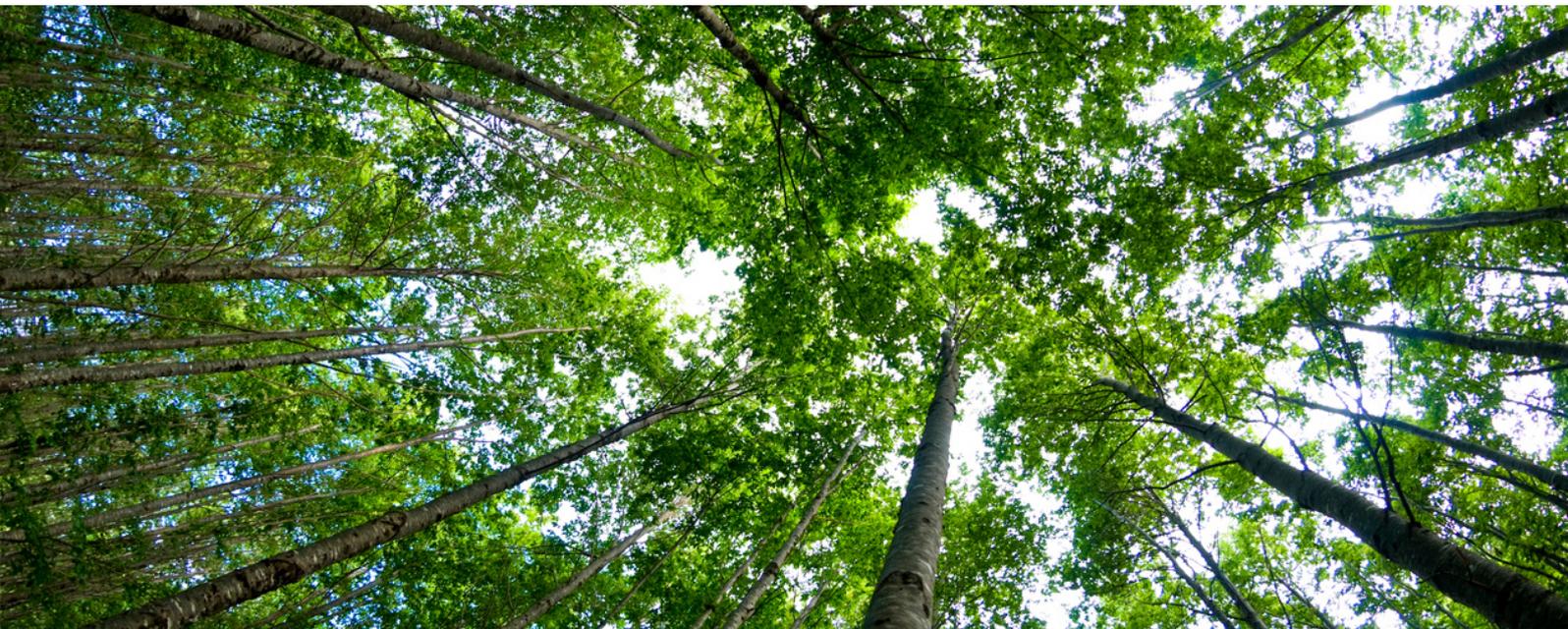


INTERNATIONAL OFFSETS NEWSLETTER

MAY 2020

Focus of the month: Voluntary Carbon Market Outlook



HIGHLIGHTS

- Carbon Markets News
- EcoSecurities News
- **Focus of the month:** Voluntary Carbon Market Outlook

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MONTHLY CARBON REGISTRIES UPDATE - APRIL

- **Credit Issuance**
Total Volume: 15 470 442
53% of total issuances were registered by the CDM Registry. Natural Climate Solutions ranked first, representing 21% of all April issuances, followed by Wind (15%) and Hydro (14%).
- **Credit Cancellation**
Total Volume: 7 690 127
97% of total cancellations were made on Verra Registry for industrial energy efficiency (55%) and Natural Climate Solutions (42%) projects.
*Based on CDM, Verra and Gold Standard Registries information.

HIGHLIGHTS

CARBON MARKETS NEWS

[Voluntary Carbon Markets set out its path without international framework on global emission trade](#)

April 23, 2020 – *Carbon Pulse*

With the delay of COP26 negotiation, the Paris Agreement will enter into force next year without any international rules regarding Article 6 related to carbon markets. This policy vacuum leaves the 100 million-tonne per year voluntary carbon market in uncertainty on how to account for international emission transfers. In the meantime, Gold Standard and Verra, voluntary offset crediting standards, are moving head by setting up their own measures to tackle the post-2020 uncertainty.

European oil and gas companies under pressure for increasing their climate ambitions:

[Shell Sets Bolder Emissions Goal Even as Virus Hits Oil](#)

April 16, 2020 – *Bloomberg Green*

Royal Dutch Shell Plc plans to eliminate all net emissions from its own operations and the bulk of greenhouse gases from fuel it sells to customers by 2050. The energy giant is following in the footsteps of its peers BP Plc and Repsol SA, which have already set similar targets. Shell's move indicates that, despite the turmoil caused in the industry by the coronavirus, major oil and gas companies aren't abandoning the transition to cleaner energy.

[Oil Giant Total Targets Carbon Neutrality in 2050](#)

May 5, 2020 – *Bloomberg Green*

Following its investors' pressure, Total SA has also set a bold commitment to eliminate most of its GHG emission and become carbon neutral by 2050. In a time of important profit losses due to the pandemic, these commitments illustrate shareholders and society's pressure for big oil and gas companies to take responsibility for their own emissions, as well as, the emissions of its customers and to address long-term environmental challenges.

[EU lawmakers concerned over CORSIA proposal that could breach ETS directive](#)

April 22, 2020 – *Carbon Pulse*

[\\$600 trillion is the cost of failing to meet the Paris Agreement Goals](#)

April 14, 2020 – *Nature Communications*

A recent study by Nature Communications found that if the current emission reduction efforts are sustained, the loss of benefits derived from not meeting the Paris Agreement's goals could cost over \$600 trillion by 2100. In addition, if countries fail to achieve their current NDCs, this washout of benefits could reach \$800 trillion.

[Coronavirus crisis setting the path to the Paris Agreement](#)

April, 2020 – *International Energy Agency*

According to the new Global Energy Report from the International Energy Agency (IEA), world CO2 emissions are expected to fall by 8% in 2020 as the global economy has come to a halt due to the coronavirus pandemic, an emission reduction six times higher than the one experienced during the 2008 financial crisis. An 8% drop is approximately the annual emission reduction needed to achieve the 1.5C scenario set by the Paris agreement. To meet this goal, such emission cuts are needed every year until 2030.



ECOSECURITIES NEWS

[LAUNCH – “Ancillary Benefits of Climate Policy”](#)

April, 2020 – Springer

Springer Climate launched an interdisciplinary book series dedicated to climate research throughout the planet. The publication “[Ancillary Benefits of Climate Policy](#)”, dedicates a chapter to talking about the positive impact of the Brazilian REDD+ market on forest protection. Pedro Moura Costa, EcoSecurities co-founder, was a lead author of the chapter, with input from other professionals involved in REDD+ initiatives in Brazil.



COMPANIES AROUND THE WORLD ARE INCREASINGLY TAKING RESPONSIBILITY FOR THEIR LARGE ENVIRONMENTAL FOOTPRINT

Want to know more?

Sign up to get updates on the voluntary carbon market.

SIGN UP

FOCUS OF THE MONTH: VOLUNTARY CARBON MARKET OUTLOOK

CONTEXT

Companies around the world are increasingly taking responsibility for their large environmental footprint. Recently, some of the largest organisations have taken pledges to limit their emissions and to reduce their environmental impacts. In response to the industry and societal pressures, other companies are following their footsteps, also announcing their commitment to climate goals. **How will these pledges to climate actions impact the demand for voluntary offsets?**

To answer this question, EcoSecurities undertook an assessment of the Voluntary Carbon Market based on the carbon offsetting and neutrality pledges from major companies worldwide. The overall results are as follows:

Total yearly volume pledged by companies (tCO ₂ e)	91 862 466
Total volume emitted in 2018 by companies (tCO ₂ e)	200 227 488
Total volume traded in 2016 (tCO ₂ e) (<i>Ecosystem Market Place Report 2017</i>)	64 700 000

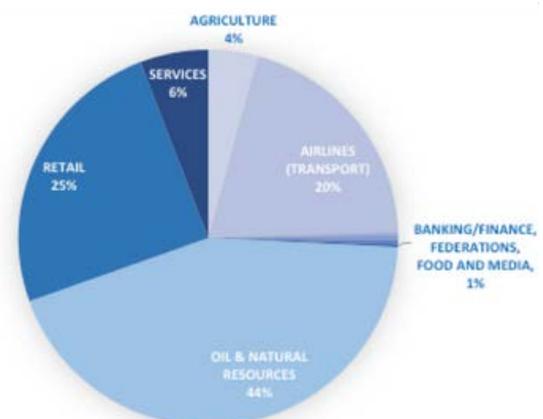
Despite being far higher than the volume of voluntary carbon offsets traded in 2016, the total estimated volume of voluntary offsets pledged by the companies included in the study represent only 46% of the total amount of emissions recorded by these companies in 2018. Oil and gas companies come first in terms of volume of voluntary carbon offset pledges, representing 44% of the total yearly volume, then, followed by companies in retail and air transportation amounting to 25% and 20% respectively. Meanwhile, pledges from the financial sector, federations, food industries and media represent only 1% of total estimated volume.

WHO ARE THE COMPANIES?

A total of 38 companies operating worldwide were analysed. Shell, ENI, and Bosch come first in terms of voluntary carbon offsets pledges with a total estimation of 20 000 000 tons of CO₂e per year each. These top three companies are followed by two important airlines, Easyjet and Jetblue with 7 500 000 and 7 700 000 tCO₂e respectively.

WHAT DID THEY PLEDGE?

85% of pledges were expressed in volumes based on yearly emissions amounts. 89% of pledges included a commitment to become carbon neutral, implementing offsets as well as broader emissions reductions strategies. 63% of pledges focused only on scope 1 and 2 emissions, while 26% covered all emissions.



EcoSecurities is a pioneer in carbon markets and greenhouse gas (GHG) mitigation projects worldwide. We are experts in sourcing, developing and financing projects with a positive environmental impact. Founded in 1997, EcoSecurities grew to become the largest and most influential company in this sector. Today, EcoSecurities is an Environmental finance boutique, with an international presence in 5 continents and a portfolio of more than 100 projects capable of generating carbon credits. EcoSecurities provides technical and financial services to projects, companies and governments. We bring access to environmental markets such as carbon markets, renewable energy certificates, plastic recycling credits, etc.

Some of the main solutions we may offer are:

- Services related to Carbon and climate corporate strategies (design and implementation of climate strategies, CDP, GRI related services)
- Carbon and plastic corporate footprints
- Carbon emission abatement plans and neutralisation plans
- Corporate compliance plans to local carbon pricing
- Project identification and financial and feasibility assessment
- Project Structuring and Project Finance studies
- Offset project development (new methodologies, project cycle activities, portfolio management)
- Project procurement (for buyers and users)
- Marketing of offsets (for sellers and project developers)
- support on structuring and negotiations; Structured transactions
- Trade finance solutions
- Climate finance and environmental finance regional studies
- Design and implementation of carbon pricing schemes
- Design and implementation of EPR and reverse logistics schemes
- Corporate strategic review in a carbon constrained world



CONTACT

- If you are a **carbon offset project developer** and is seeking technical or commercial support, or if you are a **corporation looking for carbon offset solutions**, please contact: carbonoffset@ecosecurities.com
- If you are a **corporation looking for consultancy and advisory on climate solutions**, please contact: corporatesolutions@ecosecurities.com
- If you are a **government, NGO or international agency looking knowledge and experts** in climate finance, carbon pricing, carbon markets, please contact: info@ecosecurities.com
- For individuals looking for **job opportunities, partnership opportunities or climate solutions**, please contact: workwithus@ecosecurities.com



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