



SCS Global Services Offers Lessons Learned from Extensive Experience Conducting High-Quality Forest Carbon Verifications Worldwide to Increase Coherence and Coordination for the Financing of Forests

Market Leader

SCS Global Services (SCS) is a worldwide leader in forest carbon offset project assessments under both voluntary and regulatory offset frameworks. SCS has verified over 45 million tonnes of carbon and completed over 150 assessments of forest and land use offset projects developed by a wide range of entities around the globe. SCS would like to share the lessons learned from this extensive experience to promote coherence and coordination in the financing of forests. SCS' experience and interest in ensuring the integrity of projects is seen as much more than a transaction cost because comprehensive third-party verification brings risk reduction and quality assurance to project financiers, developers, community members, and credit buyers alike.

Quality Assurance

The foundation of the SCS Greenhouse Gas Verification Program is a quality management system which conforms to the rigorous requirements of the International Standards Organization (ISO). As part of those requirements, and as a cornerstone of our services, SCS maintains a team of auditors who pride themselves on their technical expertise and timely, professional service. SCS' focus on quality and scientific integrity serves a crucial function in carbon markets -- ensuring audit activities are responsible for validating and verifying projects, which then allow project proponents to have confidence that the credits generated have exceptionally low risk of credit invalidation.

SCS is well-aware of the risks faced by those involved in developing forest projects and programs. If the forest initiative is not designed, implemented or documented correctly, the initiative may lose both time and money as well as not provide adequate results to the intended beneficiaries. Beyond the importance of project/program proponents successfully developing and implementing an initiative, there is the need for a quality assurance of this work. An adequate quality assurance requires a superlative understanding of the technical aspects of the forest project/program as well as extensive experience evaluating the quality management systems of the project and its personnel.

A project which is found to have been inadequately validated or verified—either in later audits, by the standard body, or other concerned stakeholders—faces the possibility of complete devaluation of credits generated and lost chances for further funding of project development. Such a scenario has effects which extend to the financial exposure and accreditation of the validation and verification body

responsible for the improper assessment, as well. This risk, and any tendency towards a race-to-the bottom in offset project assessments, can and should be avoided for the integrity of continued financing in forests.

Increased Coherence and Coordination

SCS would like to offer their expertise and experience in the field of forest carbon offset verification to increase the coherence of the forest financing arena, which would concomitantly increase coordination. As a market leader in the verification of forest carbon projects, SCS is also aware of the appropriate amount of time and effort required to assess a project or program. SCS' excellent proficiency with all of the top-tier standards and methodologies for forest projects and programs affords them with the knowledge to streamline processes and analyses to increase efficiency while not decreasing effectiveness or rigor.

As seen in the attached GHG Qualification Profile, SCS has a wide breadth of experience internationally and offer to share their experiences from the verification of any of the numerous projects listed therein as a case study, or from their general experience as a market leading verification body, to increase coherence and coordination in forest financing. By leveraging the lessons learned from SCS, all parties will be able to capitalize on their respective areas of expertise, increase effectiveness, reduce transaction costs, and raise overall efficiency.

Long-term Success for Forests

Verification is an important component to assessing forest projects and programs, including results-based finance. A skilled verification provides not only quality assurance and risk reduction of invalidation, but it also provides lessons necessary to increase coherence and coordination in forest financing. With these improvements, the long-term success and benefits of forest initiatives for their beneficiaries can be fostered and ensured.