Evolution of Voluntary Carbon Market (VCM)

Phases of the VCM

1. Early Market Formation & Innovation
   - Pioneering new concepts
   - Initial development of rules
   - Establishment of standards & tools

2. Consolidation & Strengthening
   - Evolution of best practices
   - Private sector engaged
   - New project types and methodologies proven
   - Greater geographic diversity
   - Increased links to sustainable development

3. Mainstream
   - Market growth
   - Corporate awareness
   - Validation of VCM standards and innovations by compliance systems

Key Milestones

- **Regulatory Developments**
  - Kyoto Protocol ratified
  - California’s cap-and-trade adopts Climate Action Reserve protocols
  - Warsaw Framework on REDD+
  - Colombia carbon tax and offset mechanism introduced
  - Paris Agreement comes into force
  - Sustainable Development Goals come into force
  - South Africa carbon tax and offset mechanism introduced
  - Carbon Offsetting Scheme for International Aviation (CORSIA) launched

- **Actions by Market Players**
  - 1990s to early 2000s: Issuances of Emission Reductions (tCO2e)
    - 1996: Voluntary investments in first REDD projects in Belize and Bolivia
    - 2000: An early corporate mover, the Co-operative Bank starts offsetting certain emissions
    - 2006: Apple launches carbon fee program
    - 2007: The Chicago Climate Exchange launches operations
    - 2008: The International Carbon Reduction and Offset Alliance (ICROA) is established
    - 2010: La Poste becomes first carbon-neutral postal service operator
    - 2011: ICROA and Imperial College study on the hidden value of carbon offsetting
    - 2013: Ecosystem Marketplace report shows offsets are part of comprehensive corporate climate strategies
    - 2014: Marks and Spencer receives UN Momentum for Change Award for Carbon Neutral program
    - 2016: Airbus announces carbon-neutral full operational scope
    - 2018: Research study shows Fortune Global 500 companies are increasing climate action
    - 2019: Volkswagen sets ambitious climate target
    - 2020: EasyJet becomes first major airline to offset emissions for all flights across operations

- **Evolution of Standards**
  - 1996: Launch of Environmental Resources Trust, later rebranded as American Carbon Registry
  - 2001: First Plan Vivo certificates issued and sold to World Bank and Formula 1 Association
  - 2006: Launch of the Gold Standard
  - Launch of the American Carbon Registry (ACR)
  - Launch of the Verified Carbon Standard (VCS)
  - Launch of the Forest Carbon Protocol
  - Climate, Community, and Biodiversity (CCB) Standards developed
  - Climate Action Reserve adopts Forest Protocol

This timeline is not meant to represent a complete illustration of all milestones influencing the evolution of the voluntary carbon markets, but rather an illustrative overview of the key events occurring during various phases of the market's development.