

Responses to the Public Consultation of the Brazilian Voluntary Carbon Market Initiative on the appointment process of the Brazilian VCM Council

The Brazilian Voluntary Carbon Market Initiative received several comments in its consultation on the proposed appointment process for the BR VCM Council and makes them available in an original format in this document.

Does the document contain:

Comment Number

Who submitted it and which institution

What question does he refer to

Comment content

#	Comment submitted by	Institution	Reference question description	Comment
1	Ian McKee	Solidos Brasil LTDA	1. Do you have any considerations on the overall appointment process proposed for the Brazilian Voluntary Carbon Market Council Participants? (please, refer to pages 17-20 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	I feel that the veto power of an independent candidate should not exist on the part of an Institutional Sponsor. This power does not even exist for Market Participants. The selection criteria for Institutional Sponsors is also not clear. There is a minimum amount of investment or a minimum number of sponsors to share this power. What criteria on individual qualification will be applied to the representative? Ideally, even if an agency becomes an institutional sponsor that the person nominated for the position has in-depth knowledge of the subject matter.
2	Carolina Araujo	Carbonext	1. Do you have any considerations on the overall appointment process proposed for the Brazilian Voluntary Carbon Market Council Participants? (please, refer to pages 17-20 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	It would be interesting to have a bit more detail on the criteria for choosing Institutional Sponsors, especially. For example, how will the process of ensuring the non-interest of these board members be done? In addition, it is said that the 3 Institutional Sponsors' chairs have limited reelections but do not specify how much, it would be important to have this definition. In general, not only for Institutional Sponsors but for all nine seats, there is a lack of a better description of the process and criteria for eligibility and selection of the members who will sit on the board. An interesting suggestion would be to think of a public consultation in the selection process of BoD members (as well as the proposal for the Consulting Group).
3	Jean-Pierre Cantaux	Canopée gestão Ambiental e Florestal S.A	2. Do you have any suggestions for other requirements that should be made for an institution to be considered regular? (please, refer to page 22 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	The list of entities should not be limited to the associations mentioned because our market has been evolving a lot in the last 2 years
4	Antônio José Ludovino Lopes	Ludovino Lopes Sociedade de Advogados	2. Do you have any suggestions for other requirements that should be made for an institution to be considered regular? (please, refer to page 22 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	We recommend that companies and institutions be asked to detain the ESG (Environmental, Social, Governance) Ethics and Policies Codes - in particular Plans or Programs aimed at sustainability and combating climate change, or at least that they must commit to in this area. In order for an institution to be considered regular, it is also relevant that one of the requirements be time to act on environmental/climate issues or directly on the voluntary carbon markets (MVC) for a period equal to or greater than 5 years.
5	Carolina Araujo	Carbonext	2. Do you have any suggestions for other requirements that should be made for an institution to be considered regular? (please, refer to page 22 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	In general, the three points presented are coherent. However, there is a lack of clarity regarding the requirements that will be evaluated in order to really affirm the regularity of the institution and what are the criteria necessary for participation. For example, what parameters can be accepted to demonstrate genuine inclination to participate in carbon activities? Clearer and more objective criteria would be very important.
6	Ian McKee	Solidos Brasil LTDA	3. Do you have any considerations on the participation criteria proposed for the Consultation Group of the Brazilian Voluntary Carbon Market Council? (please, refer to pages 23 and 24 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	I don't think that developers representatives should have to have certified projects for accredited credits in an ICROA accredited body. MVC to this day suffers from a lack of innovation, mainly technological. Given that we have little time to introduce new methodologies and technological solutions, especially those that are decentralized and developed in blockchain, we must open the door to new ideas and developers. It also requires that these companies that are going to actually build this new market be associated with "some MVC-related entity also creates another barrier and will push away entrepreneurs who are building disruptive solutions that can help scale the market. The new ideas are unlikely to come from companies that are market leaders today. This requirement for an association with the entities related to MVC should be removed for Buyers, Financial Institutions and Others as it serves as a barrier and being associated does not necessarily represent a real commitment to decarbonization.
7	Antônio José Ludovino Lopes	Ludovino Lopes Sociedade de Advogados	3. Do you have any considerations on the participation criteria proposed for the Consultation Group of the Brazilian Voluntary Carbon Market Council? (please, refer to pages 23 and 24 of the public consultation material,	It is important that there be representativeness among board participants, which aims to ensure their legitimacy. To do so, it is recommended to have sector representations (class associations) in the legal, accounting/financial, banking area. It is also recommended to include socio-environmental

			available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	safeguards in the areas of the Board, and may be represented by institutions or experts.
8	Carolina Araujo	Carbonext	3. Do you have any considerations on the participation criteria proposed for the Consultation Group of the Brazilian Voluntary Carbon Market Council? (please, refer to pages 23 and 24 of the public consultation material, available at brvcm.org/en/consulta-pública-emaberto) - Yes (please provide detailed comment) - Text	There is a lack of clarity and objectivity to understand the criteria. In general, the criteria presented are consistent, but there is a lack of information and definitions in this process. For example, the relationship or commitment to MVC suggested in the document does not make it clear whether the institutions that can be accepted are in fact being evaluated based on coherent criteria (greater transparency in these criteria is necessary).
9	Carolina Araujo	Carbonext	4. Do you have suggestions and feedback on how the process can be optimized to ensure representativeness and VCM integrity? Please provide details. - I have suggestions for improvement: - Text	The main suggestion would be to seek greater detail and clarity in the three criteria of (1) eligibility, (2) nomination processes (vaguely explained in the current version) and (3) reelection (the maximum length of time each member remains) of the members of the Board of Directors and also of the Advisory Group.