

# VCMI Stakeholder Forum

## Terms of Reference

28 April 2023

### Background

Voluntary carbon markets (VCMs) have in large part evolved independently of government regulation. With rapidly growing private sector interest in VCMs as part of voluntary net zero decarbonisation strategies, they have potential to play an important role in supporting progress towards the temperature goals of the Paris Agreement. However, without clear guidance and standards that engender integrity and genuine trust, they will fail to deliver positive impacts to their full potential.

Alongside a range of initiatives looking to build integrity on the supply side of the market, the Voluntary Carbon Markets Integrity Initiative (VCMI) was established to progress two initial priorities:

1. Promote demand-side integrity.
2. Promote high integrity access.

VCMI completed Phase 1 of its work and launched its Provisional Claims Code of Practice (“Claims Code”) in June 2022, since when the Claims Code has been the subject of public consultation and road testing by companies.

The Claims Code provides guidance to the buyers and users of carbon credits – the demand-side. Specifically, the Claims Code seeks to answer two key questions:

1. When and how should companies and other Non-State Actors make voluntary use of carbon credits?
2. What claims can they credibly make about this use?

In Phase 2, starting in early 2023, VCMI focuses on finalising the core elements of the Claims Code and an accompanying Assurance Framework, with the next version of the Claims Code due to be released June 2023.

Following the launch of the Code in June, additional modules will be added between July and November to facilitate use of the Code and allow for implementation of public VCMI Claims using the Code. VCMI continues to work closely with its Steering Committee, Expert Advisory Group and other standards groups to bring a broader market perspective to the initiative and guide ongoing work.

### VCMI Vision, Mission and Objectives

#### *Vision (2030)*

A world firmly on track to 1.5 degrees net zero emissions by mid-century, achieved through a just transition that enhances equality and sustainable development for all.

#### *Mission*

To enable voluntary carbon markets that deliver real and additional benefits to the atmosphere, help protect nature, and accelerate the transition to ambitious, economy-wide climate policies and regulation.

*Strategic goals (2022-25)*

- VCMI Claims Code of Practice is applicable across sectors and geographies, with a functioning assurance model that provides accountability in the use of VCMI Claims.
- A critical mass of major corporates engaging with VCMs follow VCMI's Claims Code of Practice.
- VCMI's guidance is widely accepted and endorsed by all major stakeholders.
- VCMI provides clarity on how other key forms of Beyond Value Chain Mitigation (or Action) should be incentivised, measured, and rewarded.
- Key elements of VCMI Claims Code of Practice are being incorporated into relevant regulatory pathways.
- VCMI has a permanent home and infrastructure.

## **Purpose of the VCMI Stakeholder Forum**

The VCMI Stakeholder Forum will act as a market sounding board for the Voluntary Carbon Markets Integrity Initiative (VCMI). It will serve as the primary means of channelling views and perspectives from a broad range of stakeholders involved in VCMs. Specifically, the VCMI Stakeholder Forum is intended to:

- Review and provide feedback on VCMI guidance with a view to ensuring it is well designed, easy to understand, operable and effective. The initial focus will be on enhancing the operability and accessibility of the Claims Code of Practice.
- Input market needs, use cases and perspectives to enable better adoption of VCMI guidance, including the Claims Code of Practice.
- Serve as a consultative forum in which participants provide their views, with no expectation of formulating consensus.

The Secretariat may establish additional sub-group meetings of the VCMI Stakeholder Forum to provide consultative input on specific topics.

The VCMI Stakeholder Forum's feedback and views will be collected by the VCMI Secretariat, summarized and shared with the VCMI Expert Advisory Group (EAG) and the VCMI Steering Committee for their consideration.

VCMI Stakeholder Forum participants are welcome to, but are in no way expected or obliged to, endorse VCMI or its guidance (including the Claims Code of Practice) at any stage of its development or operation.

## **Composition of the VCMI Stakeholder Forum**

The VCMI Stakeholder Forum will be comprised of 40-80 participants.

Participants will include individuals and representatives of entities committed to advancing the mission of the VCMI and will not participate for personal or professional gain.

Participants will span diverse backgrounds, experiences, and geographies, and different types of intended users of VCMI guidance.

Intended users of VCMI guidance include, but are not limited to, financiers of sellers and buyers in VCMs, corporate buyers of carbon credits, civil society market proponents and

watchdogs, VCMs rule-setters and initiatives, industry bodies and market infrastructure providers, academic thought-leaders, and policy professionals.

VCMI Stakeholder Forum participants can serve in their individual capacity or as representatives of their affiliated entity (e.g., company, agency, initiative). Where a participant serves in their individual capacity, they will be expected to make every effort to reflect the views of the stakeholder type and region in which they have experience.

This is a volunteer, non-compensated position.

## **Obligations of VCMI Stakeholder Forum participants**

Participants are asked to:

- Attend meetings of the VCMI Stakeholder Forum and make every effort to review the agenda and supporting materials prior to meetings.
- Provide views during VCMI Stakeholder Forum meetings, through written comments and online surveys, making every effort to respond in a timely fashion.
- Engage in collaborative spirit, listening and respecting others' views, and actively support the VCMI and its mission.
- Allow themselves to be publicly identified as VCMI Stakeholder Forum participants. Where participants are representing an affiliated entity, participants must provide the logo of the affiliated entity for VCMI to place on its website page and materials about the VCMI Stakeholder Forum.
- Agree to Chatham House Rule and to maintain the confidentiality of all meetings, discussions, and associated materials.
- Keep up to date on developments in the relevant industries.
- Declare any relationship to the VCMI and/or VCMI staff to avoid potential conflicts of interest.

The level of effort and time required of participants will vary, with an expectation of one-half day per month on average. This includes time to attend meetings, review documents and provide feedback.

## **Procedures of the VCMI Stakeholder Forum**

### Operations

The VCMI Stakeholder Forum will be convened until June 2024. It may be extended beyond this point, subject to agreement by VCMI Stakeholder Forum participants.

The VCMI Stakeholder Forum will ordinarily meet every six weeks. Meetings will be chaired by the VCMI Secretariat, based on an agenda proposed by VCMI Secretariat. Materials will be circulated in advance of meetings, and meeting minutes shared within three working days.

Additional sub-group meetings may be scheduled close to the publication of major outputs, and/or in response to significant external events or specific requests from the EAG or Steering Committee. These will be optional meetings, scheduled with as much advance warning as possible.

All meetings, discussions and associated materials are confidential.

### Decision-making

The VCMI Stakeholder Forum will be a consultative forum. It will not be an advisory or decision-making body of the VCMI.

The VCMI Stakeholder Forum will provide market perspectives, with no expectation of formulating consensus. The VCMI Secretariat will summarize the views of VCMI Stakeholder

Forum participants in a manner that is respectful of all viewpoints, including any minority views amongst VCMI Stakeholder Forum participants.

## **Appointment of the VCMI Stakeholder Forum**

Participants will be appointed by the VCMI Secretariat, in consultation with the VCMI Steering Committee. Initially, VCMI Stakeholder Forum participants will be appointed through two routes:

- Participants will be identified and invited by the VCMI Secretariat to join the VCMI Stakeholder Forum, in consideration of the purpose of the VCMI Stakeholder Forum.
- A VCMI Stakeholder Forum Expression of Interest application will be posted on the VCMI website for a time-limited period. The VCMI Secretariat may invite suitable applicants to join the VCMI Stakeholder Forum, in consideration of the purpose of the VCMI Stakeholder Forum.

The VCMI Secretariat will be free to recruit further VCMI Stakeholder Forum participants at any point using a method and criteria deemed appropriate.

## **Data Protection**

The information provided will be processed in accordance with General Data Protection Regulation (GDPR). Data will be processed only to ensure that VCMI Stakeholder Forum participants act in the best interests of VCMI in the execution of their VCMI Stakeholder Forum activities. The information provided will not be used for any other purpose.

*[VCMI Stakeholder Forum confirmed participants should sign below for acceptance and return a signed copy to the VCMI Secretariat].*

I hereby accept and agree to the VCMI Stakeholder Forum Terms of Reference.

**Signature** \_\_\_\_\_

**Name** \_\_\_\_\_

**Date** \_\_\_\_\_