



Roadmap: Ensuring High-Integrity Voluntary Carbon Markets



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The Voluntary Carbon Markets Integrity (VCMI) Initiative is a global, multistakeholder platform established to help ensure that voluntary carbon markets (VCMs) make a significant, measurable, and positive contribution to the transition of the global economy to a 1.5°C future while also promoting inclusive, sustainable development in line with the United Nations' Sustainable Development Goals (UN SDGs).

VCMI's work is unique and necessary because it aims to fill critical gaps in VCMs' governance infrastructure by developing clear, practical, and robust claims guidance, with consideration for eventual regulation and country input, while addressing equity and access issues. The need to fill these gaps with an independent and inclusive process has been reinforced from feedback received through VCMI's continuous stakeholder engagement.

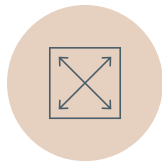
VCMI focuses on ensuring that the voluntary use of carbon credits by nonstate actors (NSAs) aligns with and contributes to the achievement of the goals of the Paris Agreement and that claims made about this use are transparent, credible, and widely understood.

This can only be achieved by drawing on the best available science and a broad range of expertise and by taking the views of all stakeholders into account.

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Achieving the Vision

Achieving VCMI's vision of high-integrity VCMs requires them to be transformed so they robustly and consistently:



Drive greenhouse gas (GHG) emission reductions and removals that would not have happened otherwise, thereby accelerating and increasing overall GHG mitigation.



Channel new and additional flows of finance to GHG mitigation, especially into developing countries.



Support the achievement and enhancement of nationally determined contributions (NDCs) ambition and alignment with robust accounting and other climate policies.



Deliver sustainable development benefits, including to Indigenous Peoples and local communities (IPLCs), and share the benefits of VCM projects more equitably in support of the UN SDGs.



Enable corporations and other NSAs to contribute to global GHG mitigation above and beyond their existing compliance obligations and science-driven commitments and navigate VCMs with confidence.



Enable innovation and knowledge-sharing to support the development and implementation of more effective climate policies as well as increased, and more robust, high-integrity pathways to net zero.



Complement international cooperation under Article 6 of the Paris Agreement.

Laying the Foundations: Consultation and Expert Analysis

Inception Phase

VCMI began operations in March 2021 following its announcement by then-incoming Conference of Parties (COP) 26 President Alok Sharma at the Climate and Development Ministerial. During the inception phase, which ran from March to July 2021, VCMI focused on defining the scope of its work and conducting research, stakeholder mapping, and interviews to identify key questions and develop initial proposals for core requirements to promote and help ensure high-integrity VCMs.

Inputs and contributions into this initial inception phase were rich and wide-

ranging. Through over fifty interviews with close to 200 stakeholders, VCMI received valuable insights from key constituencies involved in VCMs from around the world.

In addition, eighty-five participants from thirty-two forest countries in Africa, Asia-Pacific, Latin America, and the Caribbean shared perspectives on emerging issues relating to high integrity in VCMs in forest countries through participation in two regional dialogues hosted by the UN Development Programme's (UNDP's) Climate and Forest Team, a strategic partner of VCMI.

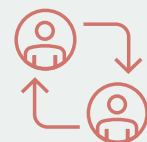
Through over fifty interviews with close to 200 stakeholders, VCMI received valuable insights from key constituencies involved in VCMs from around the world:



Governments, in countries that host emission reduction and removal projects and programs and those where many voluntary buyers of carbon credits are located.



Businesses, in particular those either already making voluntary use of carbon credits or planning to do so, and carbon market practitioners.



Civil society organizations (CSOs) and Indigenous Peoples' representatives, including nongovernmental organizations (NGOs) and academic institutions from both the Global South and Global North.



The results of this engagement formed the basis for the VCMI's public Consultation Report—*Aligning Voluntary Carbon Markets with the 1.5°C Paris Agreement Ambition: A Global Consultation Report of VCMI*—published at the VCMI global launch on July 29, 2021. VCMI was honored to have the participation of government leaders from Cambodia, the Democratic Republic of the Congo, Germany, Ghana, Jalisco (a state of México), Kenya, the United Kingdom, the

United States, and Yucatán (another state of México), alongside civil society, Indigenous Peoples and local communities, and business leaders.

At the same time, the VCMI Steering Committee—the initiative's ultimate decision-making body—was announced, with Rachel Kyte and Tariye Gbadegesin serving as its co-chairs.

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Consultation and Formalizing Stakeholder Engagement



VCMI received fifty-two responses to the Consultation Report from a wide range of stakeholders across a diversity of sectors and regions. These have been synthesized in *Feedback on the VCMI Consultation Report: Views on Vision, Principles, Claims Guidance, and VCMI's Role*, released in October 2021.

In parallel, VCMI began to establish the groups that will undertake, inform, and guide the work of VCMI: the Country Contact Group (CCG) and the Expert Advisory Group (EAG).

Country Contact Group

The first CCG meeting in early October included participants from fifteen national and two subnational governments from across Africa, Asia-Pacific, Latin America, North America, and Europe. In all, the group:

- Comprises governments from the Global South and Global North.
- Provides input to the VCMI process and products.
- Engages in government-to-government exchange on VCMs.
- Develops country-level VCM Access Strategies.

Expert Advisory Group

At its first meetings in September and October, the EAG reviewed feedback received from the public consultation and other stakeholder inputs and made recommendations on the priority issues for VCMI to address as key to the development of the ultimate claims guidance below. The EAG:

- Comprises over thirty international VCMs experts.
- Will advise on the development of claims guidance.
- Will provide technical advice on other related matters to the Steering Committee (SteerCo).

VCMI has also been establishing processes for effectively engaging businesses, IPLCs, and civil society organizations and will formalize these processes in November 2021.

Roadmap of Future Work

Based on the results of VCMI's public consultation, additional outreach, and the guidance of VCMI's CCG and EAG, this VCMI Roadmap sets out the key issues and questions that VCMI will be addressing over the coming months and its path to influencing VCMs toward high integrity through its findings, processes, and products.

VCMI Goals for the Next Six Months



Produce clear guidance for corporations and other NSAs on high-ambition voluntary use of carbon credits with high environmental, social, and gender integrity, including what constitutes 1.5°C-aligned voluntary use of carbon credits.



Develop clear guidance on the claims that corporations and other NSAs should make in relation to their voluntary use of carbon credits and the different types of carbon credit that are appropriate for each type of claim.



Draft recommendations on an institutional framework for the governance, transparency, and assurance of claims relating to voluntary use of carbon credits and considerations for the role of governments in their implementation.




Create country strategies to enhance access to financing opportunities from VCMs to support the achievement and enhancement of NDCs and support sustainable and inclusive development priorities.



Develop recommendations for alignment with the evolving international architecture under the Paris Agreement and other related regulatory environments.



These products will inform VCMI's next steps, serving not as an endpoint, but as a foundation from which to iterate and operationalize the claims guidance and strategies.



Working with stakeholders from government, business, civil society, IPLCs, and other initiatives focused on high-integrity VCMs, VCMI will achieve these goals by focusing on three interlinked essential and complementary components of high-integrity VCMs.

1

Priority issues underpinning credible claims:

VCMI will answer the outstanding “difficult questions” related to voluntary carbon market integrity, including issues that have been highlighted by stakeholders as requiring further work to enable confident engagement in VCMs by both corporations and communities.

2

Integrity assurance for VCMs:

VCMI will identify the governance, transparency, and assurance mechanisms necessary to guarantee the credibility of claims relating to voluntary use of carbon credits.

3

Effective alignment with the Paris Agreement and government priorities:

VCMI will work with governments to: (a) develop country Access Strategies to effectively attract investment through VCMs that supports the equitable achievement and enhancement of their NDCs, broader climate policy objectives, and SDGs; and (b) identify the institutional and regulatory arrangements needed to underpin this.

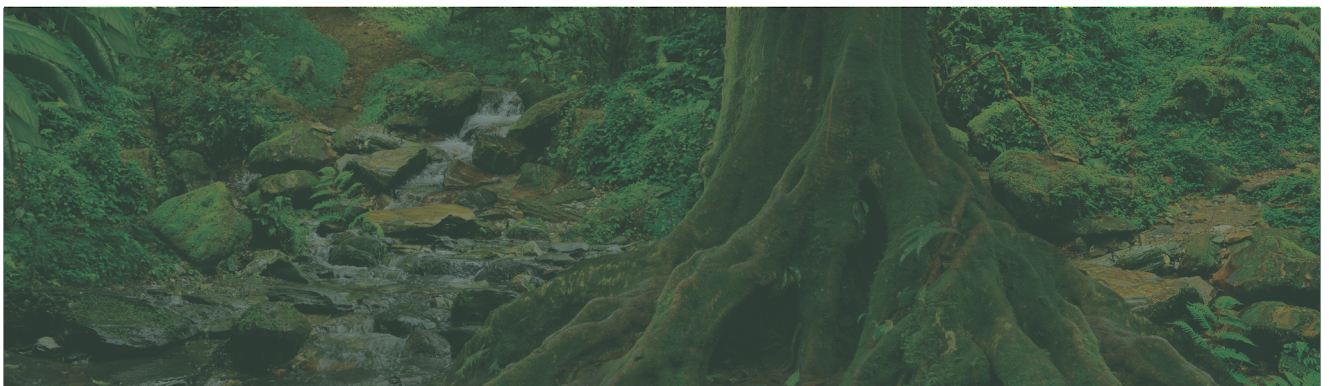
CATEGORY: Alignment of VCMs with the Paris Agreement and NDCs

! Priority Issues

- Complementarity and alignment with the Paris Agreement architecture, including instruments under Article 6 and the Enhanced Transparency Framework agreed to under the United Nations Framework Convention on Climate Change (UNFCCC)
- Interaction with domestic instruments and regulations, including NDCs and how VCMs can drive and are affected by increases in their scope and ambition
- Pathways and approaches to strengthen complementarity between VCMs and comprehensive climate regulation

? Example Key Questions

- How might VCM transactions reflect Article 6 rules agreed to in the UNFCCC negotiations?
- How and when should VCMs interact with the Article 6 mechanisms?
- How should VCM activities and investments interact with NDCs and be designed to support implementation and progression in scope and ambition?
- How should additionality in VCMs be assessed in relation to NDCs and climate policies in host countries?



CATEGORY: Scope and Purpose of Claims by NSAs

! Priority Issues

- Scope of claim—addressing Scope 1 and 2 and/or Scope 3 emissions
- Alignment with science/net zero pathways
- Claims at net zero vs. claims on the pathway to net zero
- Reduction and removal claims aligned with science

? Example Key Questions

- How can participation in VCMs exceed existing mitigation ambition and address the most urgent climate priorities?
- How can participation in VCMs enhance action in the near term, but not substitute for decarbonization within buyers' operations or supply chains?
- What is the set of claims that companies can make when purchasing carbon credits?
- Which credits can be used for which claims, and how might that change over time?
- How can the robustness of claims be aligned with requirements for the permanence of emissions reductions and removals?
- How should the balance between reduction and removal credits be determined and how might this balance change over time?
- How should double-counting and double-claiming be avoided?



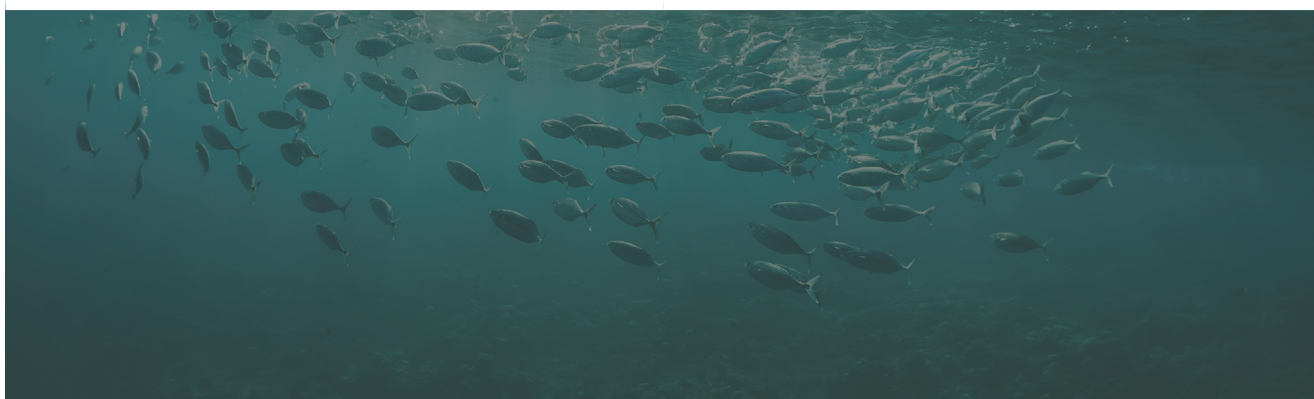
CATEGORY: Accounting for Voluntary Use of Carbon Credits and Transparency of Claims

! Priority Issues

- Transparency and reporting on carbon credit claims
- Incorporating carbon credits into company GHG accounting protocols
- Required transparency, reporting, assurance systems, and infrastructure

? Example Key Questions

- What needs to be reported (e.g., supply country, project/program details, vintage etc.), how often, and with what level of detail?
- What assurance systems and governance infrastructure are needed for high-integrity claims in relation to VCMs, and how can they utilize/build on what already exists, both in the public and private sectors?
- What are the best practices and disclosure norms NSAs should adhere to before making any claim?
- What reporting and accounting requirements for VCM credits are needed to support robust transparency and accountability?



CATEGORY: Promoting Sustainable Development and Equity

! Priority Issues

- Global equity, SDGs, and private-sector VCM investment

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- Equity for IPLCs

? Example Key Questions

- How do we work with standard-setters and other supply-side initiatives to strengthen meaningful participation by IPLCs in VCM project design and implementation?

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- How can we ensure that VCM projects generate meaningful economic, social, and environmental benefits for IPLCs, women, and other marginalized groups?

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- How can we ensure VCMs contribute to the achievement of host countries' SDGs?

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- How do we increase market recognition of the importance of gender, social, and environmental co-benefits and equitable sharing of economic benefits as central to high-integrity carbon credits?

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- What are the implications of voluntary use of carbon credits for ongoing local environmental impacts caused by the continued operation of buyers' operations that externalize environmental harms to local communities? How should these be taken into account in claims?



2 Integrity Assurance for VCMs

A key defining characteristic of VCMI is that it seeks not only to offer clear guidance on the voluntary use of carbon credits and associated claims but also to provide practical recommendations for a robust framework for assuring these claims.

Over the coming months, VCMI will work with other credible initiatives operating in VCMs and corporate accountability spaces to identify

specific gaps and weaknesses in existing systems and work to define the mechanisms and frameworks necessary to guarantee high integrity, minimize fragmentation, and address “greenwashing.” This is likely to include market transparency mechanisms, systems for inclusive participation, financial and other reporting and disclosure standards and frameworks, and advertising and marketing standards, among others.

3 Effective Policy Alignment

VCMs are perceived as driven by private-sector actors with little appreciation for larger development needs and country priorities. The relationship between VCMs and future Article 6 transactions remains unclear, leading to governments being unsure as to how use of VCMs could enhance their NDC achievements.

A defining element of VCMI is its engagement of governments on the integrity of VCMs, as well as a focus on equity and access to VCMs with the aim of driving private finance to support NDCs and the SDGs. To accomplish these goals, VCMI is: (a) seeking input from governments to better understand their interests and concerns in relation to VCM integrity; and (b) in coordination with the UNDP’s Climate and Forest Team, supporting Global South countries’ development of VCM Access Strategies. These strategies will build

upon existing progress at a country level and are intended to support synergies between VCMs and other streams of climate finance, facilitating investments in priority sectors and contributing to the implementation and enhancement of NDCs.

The VCM Access Strategies aim to support countries to maximize investments into VCM activities that are aligned with national climate plans, contribute to and help exceed NDC ambition, and prevent potential for disincentives to increasing NDC ambition. They will also help development partners and corporates identify and accelerate investments in VCM activities and facilitate multistakeholder partnerships. VCMI is actively collaborating with several countries on access strategy development.



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Stakeholder Engagement

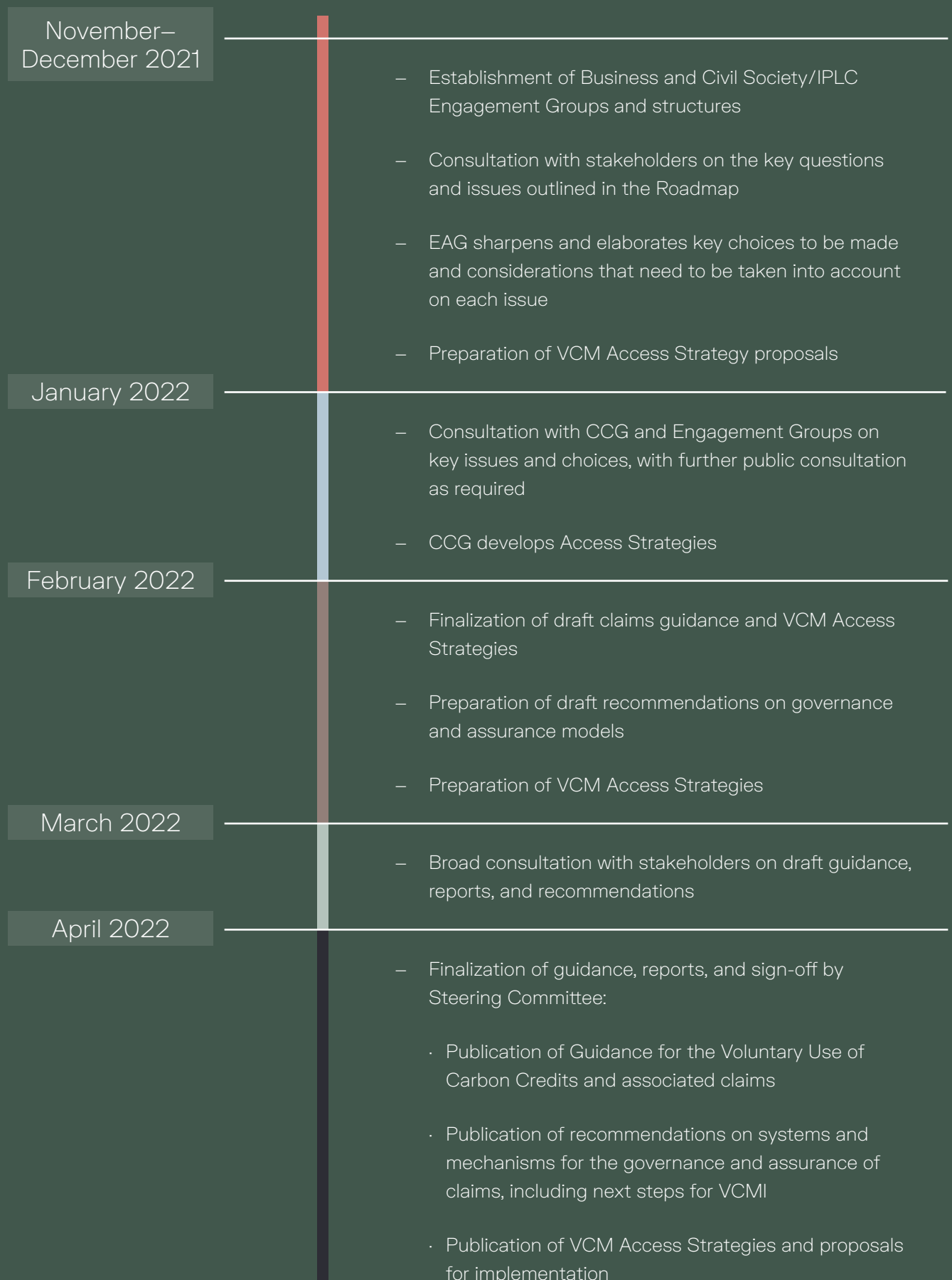
VCMI is driven by the need to ensure integrity in VCMs, guided by a diversity of relevant experts, and informed by a diversity of stakeholders. VCMI will continue to engage stakeholders as we work through the priority issues identified above—many of which are complex and, in some cases, contentious. As specific claims guidance is being developed with the EAG, VCMI will continue to engage the CCG; CSOs;

organizations representing IPLCs, women, and other marginalized communities; a diversity of companies and business organizations; and other entities and initiatives seeking to advance high-integrity VCMs, such as the Integrity Council for Voluntary Carbon Markets (ICVCM). A variety of venues will be provided for stakeholder engagement, tailored to the specific issues and constituencies on which feedback is sought.



Image: Atul Loke for Panos Pictures/Food and Land Use Coalition

Timeline for Delivery



Acronym List

CCG	Country Contact Group
COP	Conference of Parties
CSO	Civil society organizations
EAG	Expert Advisory Group
GHG	Greenhouse gas
ICVCM	Integrity Council for Voluntary Carbon Markets
IPLCs	Indigenous Peoples and local communities
NDC	Nationally determined contributions to the Paris Agreement
NGO	Nongovernmental organization
NSA	Nonstate actor
SDG	Sustainable Development Goal
SteerCo	Steering Committee
UNFCCC	United Nations Framework Convention on Climate Change
UN SDG	United Nations' Sustainable Development Goal
VCM	Voluntary carbon market
VCMI	Voluntary Carbon Market Integrity Initiative

The Voluntary Carbon Markets Integrity Initiative is a multistakeholder platform to drive credible, net zero aligned participation in voluntary carbon markets.