



VCM Global Dialogue draft narrative and Action Agenda

Presentation to kick-off the
global consultation





The role of the voluntary carbon market in driving climate ambition

The **voluntary carbon market** recognizes the global dimension of climate change and facilitates cooperation between private actors in developing and developed countries

- It offers **tools** to estimate and measure GHG emissions reductions and removals;
- Enables the creation of **tradable carbon credits**, and
- Enables private actors to **drive climate benefits** beyond their own operations and supply chains



Growing demand for carbon credits provides opportunity to rapidly channel significant additional funds to climate mitigation, especially in developing countries

The voluntary carbon market:

- Fast-tracks emission reductions while governments design, formulate and adopt relevant strategies, policies and laws to abate GHG emissions and mitigate climate change
- Provides access to financial resources that governments can use to increase their mitigation ambitions and attain their Sustainable Development Goal (SDG) target
- In doing so, complements public policy

An Action Agenda

for maximizing climate benefits of
the voluntary carbon market in
developing countries



1.

Promote strategic engagement of governments with the VCM

- **Governments gain an understanding of VCM activities:** Collect information and create a VCM database.
- **Governments proactively promote VCM foreign direct investments:** Establish a function that focusses on attracting VCM investments and helps to create an enabling environment for investments.
- **Governments seek to attract financing to priority project types:** Accredite GHG crediting programs and offer benefits for priority projects.

2.

Support coordination and cooperation among public and private entities

- **Host countries overcome barriers for engagement:** Create platforms for regional coordination and exchange of views and experiences.
- **Countries and private actors prepare national VCM partnerships:** Create national multi-stakeholder fora for engagement with private actors.
- **Public and private actors jointly support VCM programs:** Identify public support for private investment and promote the development of methodologies.



3.

Clarifying the relationship of the VCM with the Paris Agreement

- **All actors enhance transparency on carbon accounting:** Establish a common understanding on accounting approaches and disclosure on carbon claims and use of carbon credits.
- **Governments define which accounting approaches apply to certain projects and investments:** By clarifying the context of accounting options they remove investor insecurities.
- **Governments and standards clarify and confirm rules on additionality and baseline setting:** In doing so, another source of investor risk is removed.



4.

Value broader development benefits and SDG contributions in the VCM

- **Governments and private actors start valuing SDG benefits of carbon investments:** Promote the use of standards that certify the SDG impacts of projects.
- **Investors assess the SDG value of their investments:** Further refine SDG-impact assessment to allow comparing SDG impacts of projects.
- **Development partners support a high-impact carbon investments:** Facilitate up-front investment into projects with high sustainable development benefits

5.

Promote VCM transactions at sectoral or jurisdictional scales

- **All actors scale carbon finance:** Develop programmatic and sectoral initiatives.
- **Governments apply jurisdictional initiative and 'nesting' beyond REDD+:** Define nesting rules a strategy to integrate different accounting frameworks.
- **Governments prioritize sectoral investments:** Develop sectoral crediting standards in consultation with industry partners.



6.

Empower local communities to engage and benefit from the VCM

- **All actors recognize the contribution Indigenous Peoples and Local Communities (IPLCs) make to sustainable use of resources:** Use the VCM to channel finance to IPLCs.
- **Governments and project developers ensure fair benefit-sharing:** Define benefit-sharing rules and principles.
- **Governments and project developers promote a rights-based approach:** Ensure the full recognition of community land and resource rights.