

## Scaling voluntary action within the framework of the Paris Agreement

### The future of the voluntary market

ICROA welcomes the entry into force of the Paris Agreement. **As a business association promoting proactive and ambitious action on climate stabilisation**, we look forward to playing our part in its successful implementation. In the past 15 years, the voluntary market has helped raise ambition levels, mobilise private sector finance and build momentum around emissions mitigation. All of these experiences and lessons learned will prove valuable in helping to deliver the objectives of the Paris Agreement.

**The entry into force of the Paris Agreement presents opportunities** for increased voluntary action, and it also raises important questions for the voluntary market, due to the very different nature of the Kyoto Protocol – under which the voluntary market developed. Under the Kyoto Protocol, only 37 developed countries adopted top down targets. This has created opportunities to generate voluntary credits in ‘uncapped’ countries without needing double counting mitigation actions.

In contrast, under the Paris Agreement 192 developed and developing countries have made their own pledges in the form of Nationally Determined Contributions (NDCs). Countries have autonomy over what emission reductions they offer to make under this ‘pledge and review’ approach which is expected over time to increase ambition and deliver the overall objectives of the Agreement. However, like the Kyoto Protocol, **new market mechanisms will be established under Article 6.**

The transition from one agreement to the other therefore raises important questions that ICROA’s work will address:

1. What options exist under the Paris Agreement to promote voluntary action?
2. How can the Paris Agreement rule book enable those options in ways that prevent double counting, respect environmental integrity, promote sustainable development, and enable the flow of private sector capital in support of mitigation and adaptation?
3. How can Article 6 provisions be developed to provide an enabling framework for voluntary action?



## ICROA Workshop: Save the date!

### When?

**2-6pm, Monday 22<sup>nd</sup> May 2017**

to be followed by a drinks reception

### Where?

**Innovate4Climate,**

Fira Montjuic Exhibition Centre,  
Barcelona

### Contact

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## ICROA Workshops

These questions and others will need answering before 2020. To do this ICROA is embarking on a **bi-annual series of invitation-only workshops**. The workshops will include market stakeholders and national governments. These groups will have a critical role to play in endorsing, rewarding and governing voluntary action under the Paris Agreement, and to ensure that private sector contributions complement and accelerate progress towards the NDCs.

**The first workshop will be held on Monday 22<sup>nd</sup> May at Innovate4Climate in Barcelona.** The aim of these workshops will be to set out the issues, identify the challenges and develop collaborative solutions amongst an engaged group of voluntary market stakeholders.

## Workshop outline

The workshop will focus around a number of roundtables. These will allow an in depth exploration of key questions and topics, which may include, amongst others:

- Voluntary action has been largely facilitated through offsetting. **Is the concept of offsetting still fit for purpose and practicable under the Paris Agreement?**
- There is a wide variety of NDCs in the Paris Agreement, ranging from absolute, economy wide targets, to a collection of actions assumed to take place across the economy. **Does offsetting have different roles to play in different types of NDCs?**
- If host countries are willing to allow the export of mitigation outcomes to non-state financiers, **how can Article 6 provisions be developed to support that?**
- If host countries wish to promote climate finance, but do not wish to export mitigation outcomes, **what options do they have to encourage and reward funding contributions to their NDCs?**
- **Are there viable alternatives for voluntary action that are less dependent on the Kyoto requirement for additionality?**

The workshop will be professionally facilitated and will be followed up by workshop papers and materials in order to maintain momentum, and to prepare for the second instalment of this bi-annual series

