Scaling voluntary action across the private sector beyond 2020

Innovate4Climate 2019
CREDIBILITY IN VOLUNTARY MARKETS

ENVIRONMENTAL INTEGRITY

Gold Standard Policy Focus:

>>Envisioning the Voluntary Carbon Market post-2020

SUSTAINABLE DEVELOPMENT

Gold Standard Policy Focus:

>>Sustainable Development Initiative
SDI PURPOSE:
Explore Party and other views on options to implement SD provisions for Article 6 and recommend text proposals for Article 6 negotiators.
ENVISIONING THE VCM POST-2020

WORKING GROUP STATEMENT FOR CONSULTATION

1. Consider the role and value of VCM post-2020

2. What do VCM ‘units’ represent

3. What does this mean for double counting?

4. Groundwork for what usage claims can be made/linking to SBTi (Phase 2)
ENVISIONING THE VCM POST-2020

THE VALUE OF VOLUNTARY CARBON MARKETS IS TO ADDRESS:

1. Emissions gap
2. Finance gap
3. Time gap

KYOTO
- Limited coverage → 37 countries with caps
- Limited ambition → 18% reduction from 1990

PARIS
- Global coverage → All countries with targets
- Net-zero ambition → Balance emissions with sinks by mid-century
ENVISIONING THE VCM POST-2020

IMPLICATIONS FOR DOUBLE COUNTING

**KYOTO**
Voluntary contributions went beyond (and could be used for) compliance commitments
→ Required accounting adjustments through cancellations

**PARIS**
Emission reductions stay in host country
→ Finance claims
→ No LOAs or Corresponding Adjustments needed for purely voluntary action
FUTURE WORK (PHASE 2)

1. **Usage Claims:** Review of appropriate + credible claims associated with use of voluntary carbon credits at organizational level, including “carbon neutrality” and “net zero”

2. **Best practice framework:** To define preconditions for legitimacy like internal reductions, target setting, credible claims, and best practices for financing beyond boundaries

3. **Explore with SBTi:** To explore linkages between markets and company target setting and reporting