Charter for Taskforce on Scaling Voluntary Carbon Markets – Phase 2 (March 1 – June 30 2021)

DATE OF ADOPTION: March 1st, 2021

About this document

This document sets out the charter for Phase 2 of the Taskforce on Scaling Voluntary Carbon Markets (hereafter “Taskforce”), chaired by Bill Winters, CEO of Standard Chartered and sponsored by the Institute of International Finance (IIF), under the leadership of IIF President and CEO, Tim Adams with Annette Nazareth, Partner at Davis Polk & Wardwell, as Operating Lead. This document describes: i) The Taskforce’s Mandate and Objectives, ii) Key Principles of the Taskforce, iii) Activities, iv) Taskforce Constituent Groups, v) Taskforce Operations, vi) Taskforce and Consultation Group Member Responsibilities and Commitment vii) Working Group Member Responsibilities, viii) Working Group Chair Responsibilities, ix) Advisory Board Member Responsibilities, x) Operating Team Responsibilities, and xi) Meeting Procedures and Governance.

i) Mandate and Objectives

The Taskforce is a private sector initiative, instigated by Mark Carney and the IIF. The initial mandate of the Taskforce was to develop a blueprint for the infrastructure that is required for a scalable, liquid, transparent and reliable voluntary carbon market. This blueprint and roadmap was published at Davos Dialogues on January 25th 2021.

Through the process of developing the blueprint and roadmap, several items were identified as priorities for further work and follow-up to translate the Taskforce’s proposals and recommendations into action.

The core objective for 2021 is therefore to shift to support implementation of the recommendations set-out in the Taskforce report, in order to achieve a shared ambition of significantly scaling up the voluntary carbon market in support of net zero goals in line with the Paris Agreement. To achieve this, the Taskforce will advance work on a series of key action items laid out in Exhibit 1 below. A number of these items (A – D) will be fully driven and executed under the auspices of Taskforce, through a series of working groups involving members from the Phase 1 Taskforce membership and Consultation Group. Other items (E – H) will be advanced as independent efforts, with engagement from the Taskforce.
**Overview of needed work in VCMs and who will lead**

<table>
<thead>
<tr>
<th></th>
<th>Action items</th>
<th>Who (Subject to change)</th>
</tr>
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<tbody>
<tr>
<td><strong>A</strong></td>
<td>Stakeholder engagement</td>
<td>Taskforce Working Group</td>
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<tr>
<td></td>
<td>Builds support for the Taskforce blueprint and recommendations, provides critical feedback from stakeholders (e.g. CEOs) to the other Working Groups, and drives the narrative on offsets, in particular through a CEO letter</td>
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<td><strong>B</strong></td>
<td>Governance</td>
<td>Taskforce Working Group</td>
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<td></td>
<td>Publishes a governance report detailing key needs for governance in the voluntary carbon market, roles and responsibilities, governance structure, etc. and identifies potential ways this governance body could be established</td>
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<td>Develops eligibility principles for suppliers, auditors/VVBs, intermediaries and buyers.¹</td>
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<td>Establishes blueprint for high-level digital project cycle</td>
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<td><strong>C</strong></td>
<td>Legal principles &amp; contracts</td>
<td>Taskforce Working Group</td>
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<td></td>
<td>Creates standardized documentation for OTC and exchange on both the primary and secondary markets and for securitization</td>
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<td><strong>D</strong></td>
<td>Credit level integrity</td>
<td>Taskforce Working Group</td>
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<td></td>
<td>Defines the CCPs and Additional Attributes, and develops the necessary assessment frameworks</td>
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<td><strong>E</strong></td>
<td>Participant level integrity</td>
<td>HADA-VCMF (independent effort)</td>
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<td>Aligns guidance on corporate claims, including reporting/disclosure requirements. Close coordination with ongoing initiatives required (e.g. SBTi, Oxford principles, GHG protocol, ISO). This inclines guidance on what types of offsets (e.g. CCP approved, with removal attributes and specific vintage) that are required for making specific claims.</td>
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<td><strong>F</strong></td>
<td>Demand &amp; supply engines</td>
<td>WBCSD, NCSA, Coalition for Negative Emissions, SMI</td>
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<td></td>
<td>Scale up demand for offsetting and commitments to develop high-quality credits</td>
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<td><strong>G</strong></td>
<td>Traded volume &amp; market infrastructure</td>
<td>Private market players</td>
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<td>Market players to develop the infrastructure and services required to scale up trading</td>
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<td><strong>H</strong></td>
<td>Corresponding Adjustments</td>
<td>Trove research</td>
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<td></td>
<td>Evaluates the implications of Article 6 negotiations on the voluntary carbon market</td>
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¹ AML/KYC principles form part of these, but would not be covered in Phase 2

² Working Title: High Ambition Demand Accelerator for the Voluntary Carbon Market
ii) Key Principles of the Taskforce

There are a number of key principles which were set out to inform the work of the Taskforce. These were developed to ensure the Taskforce is successful and additive to other ongoing initiatives. These principles equally apply to Phase 2. These are:

- **Highly collaborative** – Attempts to unite players across the value chain (e.g. supply market, demand, NGOs) and links into several other ongoing efforts in the space to achieve an comprehensive global solution. Taking stock of other ongoing activities underway to scale voluntary carbon markets to bring them into a coherent whole, assessing whether other initiatives are better placed to address pain-points and signpost to these where appropriate.

- **Builds on current momentum** – Including the current focus from prominent investors, mounting net zero commitments, investments into trading technology, improving standards, etc.

- **Focus on voluntary markets** – In order to maximize agility and speed to market of potential solutions, as these solutions can be implemented without the need for regulatory intervention / oversight.

- **Private-sector led** – In order to make sure solutions developed are appropriate for, and will be adopted by, the corporations that ultimately will use them.

  Focusing on creating a market infrastructure which facilitates the purchase of carbon credits/offsets by corporates for their stated emissions reductions, net zero or net negative goals and the corresponding corporate accounting/reporting for investors and stakeholders. The work is not concerned with national accounting rules or international carbon transfers/credits between nations which will be determined through the Article 6 negotiations. Multiple public-sector institutions act as observers or are part of the Consultation Group, to help safeguard that outcomes remain in the best interest of the environment and local communities. In addition, a cross-cutting advisory board composed of eNGOs, investor alliances and academics has been created to guide the Working Groups and provide continuous feedback throughout Phase 2.

- **Cover the whole value chain** – In order to provide the best solution for scaling, the Taskforce will lay out solutions that address all parts of the value chain (e.g. supply, demand and intermediation aspects). The work will look at the reliability of existing methodologies and verification standards for offsets and suggest improvements to further instill market confidence or enhance fungibility. The work will not opine on the efficacy of offsets to reach the Paris ambition but will need to ensure that its recommendations protect space for the market to react to the latest evidence from the scientific community on this question.

iii) Activities

Meeting the Mandate and Objectives described above implies significant work in Phase 2 during the period March – June 2021. Detailed information on the “Fully Taskforce driven” activities (A through D in exhibit 1) is set out below:
A. Stakeholder engagement

- Develop clear outreach strategy, including target outcomes for different stakeholder groups
- Draft CEO letter including a set of commitments
- Run the CEO engagement campaign, including to: Identify organization for outreach; conduct outreach campaign; orchestrate signatures (e.g., working with legal, public-relations, CSR, in relevant organizations to practically secure signature)
- Provide updates on content and sentiments to Operating Team, Principals and other Working Groups
- Shape narrative around VCMs and the Taskforce, including reaching out to particular organizations to inform about work of the Taskforce and delivering a communications and education campaign (blogs, webinars, event agenda, etc.)

B. Governance

- Detail the precise governance needs which are not addressed in Voluntary Carbon Markets today (including potential role in attributes markets)
- Develop governance case studies (both for how comparable markets function and how they are established) and extract relevant learnings, e.g., CDM Board, G20 OTC derivatives clearing process, global debt markets
- Detail potential end-state for a new governance body including the required structure (e.g., NGO, B Corp)
- Outline potential ways this governance body could be established including:
  - developing the criteria for selection
  - setting out a range of recommended governance body models and implementation structures
- Identify potential linkages with mainstream market regulatory bodies (e.g. securities regulators), and governance bodies overseeing compliance markets (e.g. jurisdictional emissions trading schemes).

C. Legal principles and contracts

- Clarify need for legal underpinning of carbon credits (e.g. underlying property rights)
- Develop standardized OTC contract for primary and secondary markets
- Develop a standard exchange contract for primary and secondary markets
- Develop contracts for securitization, bundling multiple suppliers into one contract
D. Credit level integrity

Develop Core Carbon Principles (CCPs)

- Define the comprehensive hierarchy for voluntary carbon credits, including Standards (e.g., Gold Standard, VCS, ACR), Methodology Types (e.g., Project-Based REDD+), Methodologies, and Projects
- For each Methodology Type, conduct review of existing practices and academic/eNGO challenges to identify best-practice for high integrity credits
- Based on above analysis, define exclusions / required safeguards at level of Methodology Types for all CCP project types
- Ensure that CCPs are designed to enable investment in new technology (e.g., by differentiating technology-based removal and reduction from other credits)
- Develop assessment frameworks for Standards, Methodology Types, and Methodologies, building on work done by CORSIA and ICROA
- Define next steps for implementation of CCPs

Finalize Attribute Taxonomy

- Analyze drivers of purchasing decisions and pricing based on historic market data and survey-based engagement with current and likely future buyers of credits
- Identify best-practices for concentrating liquidity (e.g., target number of additional attributes) based on scan of existing markets
- Finalize first set of additional attributes

iv) Taskforce Constituent Groups

The Taskforce will be comprised of a leadership group, Taskforce Members, and a Consultation Group, each member serving in a personal capacity.

Leadership

The Taskforce leadership will be comprised of the following:

- Institutional Sponsor: Institute of International Finance
- Chair: Bill Winters (CEO, Standard Chartered)
- Operating Lead: Annette Nazareth (Senior Counsel, Davis Polk)

Taskforce Members

Under the leadership of the Chair and Sponsoring Institution, the Taskforce has been constructed to ensure deep expertise in VCMs and representation of a wide variety of views and interests concerning VCMs. The Taskforce will consist of up to 60 members. Members will serve in a personal capacity, with no substitution possible. Membership of the Taskforce is by invitation only. A list of Members of the Taskforce is provided in Annex 1.
The Taskforce is intended to reflect the experiences of participants across the VCM supply chain, constituted in such a manner as to help ensure broad representation and consideration of a range of views and interests concerning VCMs. Members will include representatives from a range of sectors, including project developers and suppliers, buyers (e.g. corporate entities), financial institutions, market infrastructure providers.

Consultation Group

The Consultation Group will include NGOs, Development Banks, IIF Members, market actors, academics, and other parties who are keen to participate. This Group will include both members from the Phase 1 Consultation Group and new members. We encourage the participation and feedback at monthly plenary meetings and/or in writing. A list of Consultation Group members is provided in Annex 1.

A detailed list of the responsibilities of the Taskforce Members and Consultation Group is provided in section vi below.

Observers

A set of organizations have been invited to observe the work of the Taskforce. Observers will be participating in plenary meetings and will receive regular updates on the progress of Taskforce deliverables.

v) Taskforce Operations

Operating Team

The Taskforce will be supported by an Operating Team, led by IIF, with support from Standard Chartered, Private Finance Hub (observer) and McKinsey. This Operating Team will serve as the Secretariat for the Taskforce, and will be responsible for overall management of the effort, including Member liaison, facilitation, content development, partnerships and stakeholder engagement, and other activities (e.g. management of high-level public events). A detailed list of the responsibilities of the Operating Team is provided in section ix.

vi) Taskforce and Consultation Group Member Responsibilities and Commitments

Member Responsibilities & Commitments

- Actively participate in each meeting (meeting discussions will be informal) and contribute meaningfully to discussions and work, in alignment with the Key Principles
- Members will be expected to provide written feedback on the deliverables of the Taskforce on a regular basis throughout Phase 2
• Participate in person (i.e., no substitutes or delegates in meetings) and in their personal capacity. Other relevant personnel from Taskforce Member’s organizations may listen in, but not participate actively.

• Abide by Chatham House Rule in all meetings.

• Cover member-incurred expenses related to Taskforce participation.

• Manage conflicts, such as ensuring that input on recommendations is blind to the impact it may have on their respective organizations.

• Communicate about and build support for Taskforce discussions and recommendations with various stakeholder communities.

• Comply with the Competition Law and Antitrust Guidelines for Meetings, see Annex 2.

• Provide resources; Members may tap senior experts and other resources in their organizations to undertake work in support of the Taskforce work.

The expected time commitment of each Member is:

• ~3 hours a month (2 hours to attend the Plenary and 1 hour to read documentation / provide feedback, on average)

• Participation on the following dates:
  
  o Tuesday March 2 [Taskforce Plenary 1];
  
  o Wednesday March 31 [Taskforce Plenary 2];
  
  o Thursday May 6 [Taskforce Plenary 3];
  
  o Friday June 25 [Taskforce Plenary 4];

• All Taskforce plenaries will be held virtually and be two hours long. Two sessions will be held to accommodate time differences: unless otherwise specified at 00:00 PST / 09:00 CET / 18:00 AEST and 08:00 PST / 17:00 CET / 02:00 AEST.

vii) Working Group Member Responsibilities

• A sub-set of Taskforce and Consultation Group members will additionally join high-involvement Working Groups to actively drive deliverables forward.

• These Working Groups are:
  
  o Stakeholder engagement (Operating team led, with support as needed from Taskforce members)
  
  o Governance (Newly assembled expert group, supported by the operating team)
  
  o Legal principles and contracts (Newly assembled expert group, supported by the operating team)
• Credit level integrity (Newly assembled expert group, supported by the operating team)

- The operating team will nominate members for the different Working Groups from among Taskforce and Consultation Group members, based on experience, available time commitment, balance of expertise (e.g. value chain coverage), and avoided conflicts of interest.

- All members (whether part of a Working Group or not), will have the opportunity to review and provide written comments on the output of the Working Groups on a regular basis (at least every month). They will also have the opportunity to join in discussions on the Working Group output in the monthly Taskforce Plenary.

- Each Working Group will have dedicated support from one or more Operating Team members, who will generally support with meeting orchestration, facilitation and synthesis.

- Working Group members are expected to dedicate approximately 4 hours a week to the Taskforce including:
  o Attending weekly meetings
  o Reading meeting material
  o Driving specific deliverables allocated to them by the Operating Team
  o Providing written feedback on the deliverables of the Taskforce on a regular basis throughout phase 2
  o Working Group members may be asked to partially or fully facilitate weekly meetings

viii) Working Group Chair Responsibilities

- Each Working Group will be led by two co-Chairs. One of the Co-Chairs will be a member of the Operating team, the other co-Chair will be a member of the Advisory Board.

- The operating team will propose these Working Group Chairs based on experience, available time commitment, expertise, and avoided conflicts of interest.

- Working Group members will be asked to endorse the selection of the Working Group chairs in the initial Working Group meeting

- Working Group Chair responsibilities include:
  o Supporting meeting orchestration and facilitating the discussion
  o Mediating consensus where possible on issues where WG members may hold opposing viewpoints
  o Addressing potential risk of bias in viewpoints or conflicts of interest stemming from the WG composition and elevating to Taskforce Leadership as deemed appropriate
ix) Advisory Board Member Responsibilities

- A sub-set of Taskforce and Consultation Group members made up of eNGOs, investor alliances and academics will additionally join a cross-cutting advisory board. The advisory board’s role will be to guide the Working Groups, identify transversal issues that may arise (e.g., the need to invest in emerging climate technology) and provide a sounding board when Working Group Chairs escalate disagreements.

- The operating team will nominate the advisory board members based on experience, available time commitment, balance of expertise (e.g., value chain coverage), and limited conflicts of interest (only open to NGO, investor alliances and academics).

- Members of the advisory board may also participate in the Working Groups and are expected to attend Taskforce Plenaries.

- The advisory board will have dedicated support from one or more Operating Team members, who will generally support with meeting orchestration, facilitation and synthesis.

- Advisory board members are expected to dedicate approximately 2 hours a week to the Taskforce including:
  - Attending 3 meetings a month
  - Review relevant materials ahead of meetings
  - Providing feedback on specific content allocated to them by the Operating Team

x) Operating Team Responsibilities

For Taskforce meetings:

- Arrange all meeting agendas to solicit meaningful discussion on outputs and Taskforce work and provide any other necessary meeting support and other assistance to the Taskforce Chair and Operating Lead

- Attend all meetings and take minutes, distribute them to Members for comment and retain final copies to include: list of attendees; description of topics discussed; resolutions or other decisions reached
• Ensure timely and effective information flow to all Taskforce Members

• Conduct content analyses and write report to be published including to: Run 1:1 interviews with Taskforce Members / Observers / Consultation Group; Prepare Taskforce workshops (circulate materials ~2-3 days in advance); and Synthesize findings from Taskforce interviews/ workshops

• Enable publication process (e.g., through IIF infrastructure)

• Facilitate coordination across Working Groups to ensure consistency (with regard to deliverables)

• Ensure timelines/deadlines are being met

• Support cooperation between the Taskforce / Working Group and other institutions or bodies

• Maintain Taskforce and Working Group records, administer Taskforce website and content and all public communications of the Taskforce

• Provide administrative and project management support

xi) Meeting Procedures and Governance

Meeting Procedures

The Taskforce expects to hold virtual Taskforce Workshops each month from March to June.

• Taskforce Members may not send delegates on their behalf to Taskforce Workshops in order to keep the high standards of the level of participation.

• Taskforce Members shall not bring their staff to Taskforce Workshops (although staff may listen in if desired)

In addition to the Taskforce Workshops, Working Group members will participate in more intensely paced work centered on weekly Working Group meetings and concrete deliverables.

Taskforce meetings are under Chatham House Rule where participants are free to use the information received, but neither the identity nor affiliation of the speaker(s), nor that of any participant, may be revealed.

Taskforce meetings will follow a pre-determined agenda, approved by the Operating Lead prior to the meeting. The format of meeting discussions will be informal.

The agenda and meeting materials will be circulated in advance of each meeting by the Operating Team.

• Relevant documents will be distributed two days before the Plenary

• Working Group documents will be distributed one day before the Working Group meeting

• Draft final documents will be available for members to comment on with sufficient
Meetings will be attended by a wide variety of representatives from across the value chain of voluntary carbon markets. Participants should consider this when discussing any positions taken by or information regarding their employer organization.

Taskforce Members shall comply with the Competition Law and Antitrust Guidelines for Meetings, see Annex 2

**Decision-making**

The Taskforce will aim to formulate views, positions, and recommendations on the basis of informal consensus. In the event of any material disagreement between Taskforce Working Group Members on views, positions, recommendations, and/or other aspects of the work of the Taskforce that cannot be resolved by consensus, the co-Chairs of the Working Group will resolve the disagreement or escalate it to the Advisory Board. Formal decision-making rights will be reserved by the Chair.

**Representation, Affiliation, and Endorsement**

Names, roles and the institutional affiliation of participating Taskforce members, Observers and Consultation Group Members will be included in the reports / deliverables which will be published to the public by the IIF. Names, roles and the institutional affiliation will also be included in public communications including on [https://www.iif.com/tsvcm](https://www.iif.com/tsvcm) and in press releases.

Taskforce materials will be described as representing the views of Members. There will be no explicit requirements for member institutions to make commitments or publish sign-on statement regarding their participation on the Taskforce. However, if organizations choose, they may like to add their organization, separate to the Taskforce member, to support the findings. Taskforce and Consultation Group CEOs will be invited to optionally sign a CEO endorsement letter toward the end of Phase 2.

**Amendment, Modification or Variation of Charter**

This Charter may be amended, varied or modified in writing by the Taskforce Chair and Operating Lead after consultation with Taskforce Members.

**Charter Validity Period**

This Charter is effective from March 1, 2021 to June 30, 2021 or as otherwise determined by the Operating Lead.
Annex 1: List of Taskforce Members and Observers

Member institutions

- AEX
- American Carbon Registry & ART
- AXA
- Bank of America
- BBVA
- BlackRock
- Bloomberg NEF
- BNP
- Boeing
- BP
- Bunge
- ClimateCare
- Dangote
- DBS
- Delta Airlines
- DSM
- easyJet
- Eco-Act
- Elion Resources
- Etihad
- First Climate Solutions
- Geely
- Gold Standard
- Goldman Sachs
- HFW
- ICE
- IHS Markit
- Itaú Unibanco
- KenGen
- London Stock Exchange Group
- Macquarie
- Maersk Mc-Kinney Møller Center for Zero Carbon Shipping
- Mahindra
- Natural Capital Partners
- Nestlé
- RWE
- S&P Global Platts
- Salesforce
- Shell
- Siemens
- South Pole
• Standard Chartered
• Tata
• Temasek
• Total
• Trafigura
• UBS
• Unilever
• Verra
• Vitol
• White & Case
• XCHG

Observer Institutions
• CIFF
• High Tide Foundation
• HSBC
• ICC
• IETA
• Permian Global
• Quadrature Climate Foundation
• Science Based Targets Initiative
• Trove Research
• World Economic Forum

Consultation Group
• ABN AMRO
• Abu Dhabi Global Markets
• ACT Commodities
• ADNOC
• African Development Bank
• AFRY
• AirCarbon
• Al Baraka Banking Group
• Allcot
• Allied Crowds
• Allinfra
• American Carbon Registry
• Argus Media
• Ashurst
• Asian Development Bank
• Baker McKenzie
• Barclays
• BCarbon
• BDEW
• Beijing Qianyuhui International Environmental Investment Co., Ltd
• BHP
• Bluesource
• Breakthrough Energy Ventures
• BSR
• Carbon A List
• Carbon Direct
• Carbon Engineering
• Carbon Intelligence
• Carbon Market Institute
• Carbon Market Watch
• Carbon Pricing Leadership Initiative
• Carbon Tracker
• Carbon Transparency Core Limited.
• Carbonfund.org
• Carbonsink
• CDP
• Cenovus Energy
• Ceres
• CF Partners
• Chevron
• Citi
• Clean Air Task Force
• Clean Energy Business Council MENA
• Climate Action Reserve
• ClimateTrade
• ClimateWorks Foundation
• ClimeCo
• Climatepartner
• Climeworks
• CLP India
• CME Group
• Co2Balance
• Coca-Cola
• Commerzbank
• Conservation International
• Convergence.Tech
• Cool Effect
• CPP Investment Board
• C-Quest Capital
• Demarco Allan
• Development and Climate Finance Foundation
• DNV GL
• Drax
• Dubai Carbon Centre of Excellence (DCCE)
• Ecossecurities
• Ecosphere
• Ecosystem Marketplace
• EEX
• Emergent
• Emirates Nature
• emstream
• EMTEC
• EnKing
• Environmental Defense Fund
• European Bank for Reconstruction and Development
• FIA
• Gates Ventures
• Gestion Maritime
• GIC
• Global Environmental Market
• Gresham House
• Hartree
• ICBC Standard Bank
• IIGCC
• Imaflora
• Indigo
• Institute of Environmental Management and Assessment (IEMA)
• InterContinental Energy
• International Finance Corporation (IFC)
• Inuk
• İşbank
• ISDA
• JPMorgan Chase
• Microsoft
• Mitsubishi
• Morgan Stanley
• MSCI Climate Risk Center
• Muzinich & Co
• NatWest
• nBio Energy
• Negative Emissions Platform
• Norton Rose Fulbright
• Optima-X
• Oxy Low Carbon Ventures
• Perspectives Climate Group
• PIMCO
• Pollination
• Preservation Capital Management, LLC
- PricewaterhouseCoopers LLP
- Rabobank
- Radicle Balance
- Redshaw Advisors
- responsAbility Investments AG
- Rocky Mountain Institute
- Rokos Capital
- Rokoscapital
- Santander
- SCB
- SGX
- Soft Power Capital
- Spacetime Ventures
- Standard Gas
- Stanford University
- Stephenson Harwood
- STX Group
- Sustainable Markets Initiative
- Suzano
- Systemiq
- T. Rowe Price
- TASC
- Terra Global Capital
- The Nature Conservancy
- The Open Group
- The Pew Charitable Trusts
- Travers Smith
- University of Oxford
- Vale
- Vertis
- Wildlife Works
- World Bank Group
- World Business Council for Sustainable Development
- WWF
- Xange
- Yale University
- Zurich
Annex 2: Anti-Trust Guidelines for Meetings

Taskforce on Scaling Voluntary Markets

Competition Law and Antitrust Guidelines for Meetings

It is the policy of the Taskforce on Scaling Voluntary Markets (the “Taskforce”) and its members to stay in strict compliance with competition and antitrust laws and regulations applicable in the US, EU, and other relevant jurisdictions. This is important because Taskforce members may be competitors. Although the Taskforce’s activities are always intended to address issues of general concern surrounding voluntary carbon markets, meetings can become the occasion for inadvertent disclosure of competitively important information.

This statement is being distributed periodically to all Taskforce members and participants as a reminder of that commitment and as general guidance concerning impermissible topics of discussion.

Each Taskforce member has an important responsibility to ensure antitrust compliance, and thus Taskforce members should read and observe the following guidelines:

- Do not discuss with other members your organization’s own or your organization’s competitors' prices, price changes, price differentials, discounts, margins, or any terms of sale that might affect prices.
- Do not discuss individual company figures on costs, capacity, compensation, business opportunities, products or services, or sales, except for industry data that are made widely available to the industry by data services or otherwise.
- Do not discuss what individual companies plan to do in particular geographic or product markets or with particular customers.
- Do not discuss specific future plans of your company or other companies concerning the design, production, distribution, pricing terms, or marketing of particular products.
- Do not discuss matters relating to actual or potential individual suppliers or customers that might have the effect of excluding them from any market or of influencing the business conduct of other companies toward such suppliers or customers.
- Do not disclose to others any other competitively sensitive information.

The Operating Team shall prepare agendas for meetings and shall maintain in its files summaries of the matters discussed.

Since the items above do not constitute an exhaustive list, Taskforce members, participants and members of the Operating Team are encouraged to seek the guidance of outside counsel whenever questions arise.
Annex 3: Background information

Extrapolation of current emissions trends suggests there will be a >3.5°C rise in global average temperatures by 2100. This will likely unlock dangerous tipping points and feedback loops in the climate system, with detrimental impacts on ecosystems, and the lives and livelihoods of billions of people.

To avoid this, and to limit warming to 1.5°C, net emissions need to be roughly halved by 2030 (~23 Gt p.a.) and reach “net zero” by 2050. This will require all sectors of the economy to reduce emissions as quickly as possible, the introduction of a range of negative emissions technologies, and increased reliance on natural carbon sequestration solutions.

Voluntary Carbon Markets (VCMs) can play an important role in enabling cost-effective emissions reductions and sequestration and have major potential to contribute to achievement of a 1.5°C target. However, voluntary private offset markets are still small and need to be scaled substantially to achieve the 1.5°C goal.

The last 12 months have seen significant momentum, with an increasing number of large corporates making ‘net-zero’ commitments, and investors increasing focus on climate action. As an increasing number of companies commit to ‘Net Zero’ emissions, credible carbon offsets will be needed to meet these decarbonisation goals.

With increasing attention from governments, businesses and investors on achieving the Paris ambition, developing a blueprint for a voluntary carbon market will be an enormous contribution to helping achieve the Paris Agreement Climate goals. In this context, there is both a need and a genuine opportunity to build momentum in voluntary carbon markets.

To help address the issue of scaling voluntary carbon markets, the proposal to establish a Taskforce was initiated by Mark Carney, UN Special Envoy for Climate Action and Finance Advisor to UK Prime Minister Boris Johnson for COP26.