

Background of the Private Sector WG and Expectations for the WG



Paris Agreement Article 6
Implementation Partnership Center

Recalling the Principles of High Integrity Carbon Markets- 2023



The A6IP Center was formally established by G7 Ministers on Apr 2023 at the G7 Climate and Energy Ministers' Meeting, together with the declaration of the G7 Principles of High Integrity Carbon Markets.

High Integrity Carbon Markets

High-integrity carbon markets must be consistent with ambitious, science-aligned emissions pathways, to achieve net-zero emissions by 2050.

- ✓ **Supply-Side Integrity:** MRV + high environmental integrity
- ✓ **Demand-Side Integrity:** The use and disclosure of credits must align with net-zero emissions by 2050
- ✓ **Market Integrity:** Transparent information and public tracking for carbon credits

The Components of the G7 Principles of High-Integrity Carbon Markets

Supply-side Integrity

- Emission reductions/removals align with the 1.5 degree goal and achievement of net-zero emissions by 2050.
- Alignment with Article 6 rules and the CORSIA emissions units criteria and guidelines
- Appropriate measures are in place to address environmental and social impacts (including respect for human rights, gender equality, and the rights of Indigenous Peoples) .

Demand-side Integrity

- Unavoidable emissions should be eligible for use of credits and contributing to the 1.5 degree goal of the Paris Agreement and achievement of net-zero emissions by 2050.
- Use the authorized credits in accordance with Article 6 rule to achieve NDCs and other international mitigation purposes.
- Use of credits should be widely disclosed to encourage investment in new emission reductions other than their own emissions.

Market Integrity

- Markets should be transparent, with information on credits used for the voluntary market as well as the achievement of NDC recorded through a registry.
- Markets should be publicly disclosed in relation to their own emissions and strategies for achieving their goals.

G7 Ministers' Meeting on Climate, Energy and Environment in Turin- Italy April 2024

The latest G7 Communique reaffirms the importance of implementation of the Principles



G7 commits to...

- Work with the OECD under the Carbon Market Platform to share our experiences with promoting the implementation of the “Principles of High Integrity Carbon Markets” and actions taken to promote the development of carbon markets while ensuring their environmental integrity
- Enhance the provision of capacity building and technical assistance to countries wanting to implement carbon market by [...] encouraging international coordination among the various initiatives related to capacity building, such as the “Paris Agreement Article 6 Implementation Partnership” [...]

Towards the Implementation of the Principles

Supply Integrity



- Alignment with Article 6 (use of the VCM for NDC/ CORSIA purpose), linking with the initial report**

Working with IC-VCM and independent standards such as Gold Standards, VERRA and others together with host country's support package for the implementation of the Article 6.

Demand Integrity



- Encourage stakeholders to apply the appropriate codes to make sure that the credit is used towards netzero**

Implementation of various initiatives by companies and governments, such as VCMI (Voluntary Carbon Market Initiative)

Market Integrity



- Registry/ Rating with clear standards/ Reports may enhance transparency of market**

The transparent and credible data set enables stakeholders to see what's happening in international carbon market and domestically in their own context.

Expectations for the A6IP Private Sector Working Group

Objectives:

- Sharing the good practices of the high integrity carbon markets
- Identify technical issues and discuss solutions for its implementation among key stakeholders

[Arrangement]

- Co-chaired by IETA and A6IP Center
- Inviting all partners (not only Private Sector Partners but also Government/ Institutions)
- Discussion will be recorded and disclosed

Thank you!



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