



Creating voluntary carbon markets: IIF recommendations and consultation – suggestions due by December 10

Energy Alert

Sustainability and Environmental, Social and Governance Alert

17 November 2020

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On November 10, 2020, the Institute of International Finance (IIF) Taskforce on Scaling Voluntary Carbon Markets published a public Consultation Document, inviting stakeholders across the carbon markets value chain to submit comments on the Taskforce’s recommendations for building a voluntary carbon market.

“As more and more firms commit to net zero, they will increasingly need to show how they plan to meet their net zero targets through an appropriate mix of emissions reductions and offsets,” the Taskforce said. The goal of its recommendations is to assist in the development of a “large, transparent, verifiable and robust voluntary carbon market.”

The Consultation Document outlines 17 recommendations that span 6 “topics for action” for creating a voluntary carbon market. These topics are based on “core carbon principles” to help establish standardized benchmark contracts for listing on exchanges and using existing infrastructure.

The six topics for action are:

- Core carbon principles and attribute taxonomy
- Core carbon reference contracts
- Trade, post-trade, financing, and data infrastructure
- Creating a consensus on the legitimacy of offsetting
- Market integrity assurance and
- Creating demand.

The Taskforce has created a blueprint for a voluntary carbon market that would (a) connect the supply of carbon credits to demand; (b) create confidence and credibility in the carbon credits being exchanged and/or transacted; and (c) be scalable to meet the expected increase in demand as more companies commit to meeting the goals set out in the Paris Agreement.

The Taskforce invites the public to provide input on the Consultation Document and the suggested blueprint by submitting responses to a list of questions found in the Consultation Survey section of the Consultation Document.

DLA Piper is able to assist in responding to the Consultation Survey. Responses may be submitted until December 10, 2020. Please contact any of the authors or your DLA Piper relationship partner to learn more.

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