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New governance body formed to ensure integrity of voluntary carbon markets

- Governance body will now drive forward the primary mission of the Taskforce, to scale high-integrity voluntary carbon markets with the end goal of meeting the ambitions of the Paris Agreement
- New governance body, comprised of a majority of independent members, is set to transform the voluntary carbon markets by setting a global benchmark for carbon credit quality
- Members bring diverse skills, experience, and expertise, with a mix of NGOs, academics and corporate and financial sectors

Tuesday 21 September, 2021, Today the Taskforce on Scaling Voluntary Carbon Markets (the Taskforce), announces the formation of a new, independent governance body for the voluntary carbon markets (VCMs). The announcement marks a major milestone in the Taskforce's mission to bring greater quality and integrity to trading on VCMs. This will reduce CO2 emissions, preserve natural habitats, mobilize much-needed capital to develop sustainable technology and ultimately accelerate the transition to net zero.

The governance body will assume leadership of the Taskforce's mission to bring greater quality and integrity to VCMs. It will work swiftly to fulfil its first priority of finalising the Core Carbon Principles (CCPs), a set of threshold standards which will set a global benchmark for carbon credit quality. The governance body will rigorously review the work to date undertaken by the Taskforce and engage experts on quality standards in areas where integrity issues have persisted.

The governance body will be led by 22 representatives on the Board, acting in an individual capacity and representing distinct perspectives. The Board has been specially selected to reflect the diversity, skills mix and clout required to rapidly progress the creation of high-integrity, scaled VCMs. Individuals from over 12 countries are represented, with a high proportion (~40%) of voices from the Global South. They will be supported by an Executive Secretariat with deep expertise in carbon integrity and operations. They will also be guided on technical issues by an Expert Panel. Further input will be provided by the Member Consultation Group (of over 250 organizations) and a Senior Advisory Council of global leaders. Funding is provided, in part, by a set of Founding Sponsors.

The governance body has been composed to ensure that independent actors, including representatives of NGOs and civil society organizations are in the majority, while also bringing in commercial experience of market participants.

The CCPs, which are expected to be launched in a phased manner throughout 2022, will set a high threshold standard for the supply of carbon credits. To be CCP-compliant, projects will need to have a clear, measurable and direct impact in reducing carbon emissions and full environmental and social integrity. CCP accreditation will be administered via standard setters approved by the governance body.

The governance body will create an assessment framework to ensure consistency of threshold standards and instil confidence for all market participants.

The Senior Advisory Council, referenced above, will be formed of eminent individuals drawn from a variety of stakeholder groups, including academia, philanthropies, initiatives developing frameworks for Net Zero alignment, carbon credit buyers and suppliers and financial intermediaries.



The Taskforce Principals Bill Winters, Chair of the Taskforce and Group Chief Executive, Standard Chartered and Tim Adams, sponsor of the Taskforce and Institute of International Finance President and CEO, will now handover leadership to the governance body Board and will join the Senior Advisory Council. The remaining Taskforce Principal, Annette Nazareth, Operating Lead for the Taskforce and senior counsel at Davis Polk and former Commissioner of the US Securities and Exchange Commission, will join the Board.

Bill Winters, Chair of the Taskforce and Group Chief Executive, Standard Chartered commented: *"The governance body brings together some of the world's most experienced and knowledgeable individuals in sectors ranging from forestry management to emissions reduction technologies in a common mission to transform VCMs, thereby giving organizations a critical tool to act on their high ambition commitments to transition to net zero emissions .*

"The work of the governance body will be a cornerstone of the voluntary carbon markets, providing assurance and trust that carbon credits will do what they say – protect precious habitats, enable the transfer of, investment, wealth and skills into communities across the world, fund R&D to tackle emissions from hard to abate sectors, and above all reduce or remove emissions. The governing body will now start to progress this critical activity at pace."

Dame Clara Furse, Chair of the UK Voluntary Markets Forum, commented: *"Carbon credits are an important step in securing a path to net zero. The work of the Taskforce has been essential in setting out a clear pathway towards significantly scaling voluntary carbon markets, whilst ensuring they are transparent, well governed, verifiable, and robust. The climate benefits are clear, including enabling the efficient channelling of investment from the global north to support nations in the global south who have made significant Paris-based climate commitments and offer the world an array of nature-based solutions.*

"As a global financial centre at the forefront of pioneering new green financing tools and techniques, London is keen to accelerate the development of high quality, high integrity carbon credit markets. We are delighted to be involved and look forward to playing a vital role."

Agustin Silvani, SVP, Conservation Finance at Conservation International, commented: *"I am delighted to be a part of this new governance body, overseeing the voluntary carbon markets. In particular, I look forward to developing the Core Carbon Principles with my fellow Board members. Given the importance of achieving Paris-based climate commitments, this body's role in maintaining integrity in the market cannot be understated."*

Tariye Gbadegesin, Co-Chair of VCMI, commented: *"Diverse voices must be at the heart of voluntary carbon markets – creating a foundation of trust and providing integrity, assurance, and transparency. We look forward to working side-by-side with TSVCM's new governance body to deliver transformational emissions reductions and removals in line with the goals of the Paris Agreement."*

Daniel Ortega-Pacheco, Director, Center for Public Policy Development - ESPOL Polytechnic University – Ecuador, commented: *"In any work done on carbon credits, it is critical to have the voice of the Global South and Rainforest Nations represented, as they are key stakeholders. To that end, I am impressed by the work of the Taskforce in bringing together these critical voices across all parts of the body. In my role as Co-Chair of the Expert Panel, I am looking forward to driving forward the development of the Core Carbon Principles (CCPs) to the highest scientific standards while ensuring participation from Indigenous People and Local Communities. I encourage all of my fellow colleagues and peers from Rainforest Nations and developing countries to engage in the process and ensure all*



relevant stakeholder groups work together to deliver highest integrity of carbon credits in alignment with the Paris Agreement ."

Kavita Prakash-Mani, CEO Mandai Nature, based in Singapore, commented *"I am delighted to join global leaders in this important initiative and bring in a practical Asian perspective. We are well positioned in South East Asia to develop nature-based climate solutions given the region is home to the third largest tropical rainforest, and millions of hectares of peatland and mangroves. We have the opportunity to engage and empower local communities to design and deliver projects based on their local knowledge, while ensuring we deliver the highest integrity carbon credits possible. In addition, Singapore can be a focal point for the voluntary carbon markets."*

ENDS

About the Taskforce on Scaling Voluntary Carbon Markets

The Taskforce on Scaling Voluntary Carbon Markets is a private sector-led initiative working to scale effective and efficient voluntary carbon markets to help meet the goals of the Paris Agreement.

The Taskforce on Scaling Voluntary Carbon Markets, launched by Mark Carney, UN Special Envoy for Climate Action and Finance, is chaired by Bill Winters, Group Chief Executive, Standard Chartered and sponsored by the Institute of International Finance (IIF) under the leadership of IIF President and CEO, Tim Adams. Annette Nazareth, Senior Counsel at Davis Polk and former Commissioner of the U.S. Securities and Exchange Commission, serves as Operating Lead for the Taskforce, and McKinsey & Company provides knowledge and advisory support.

The TSVCM's over 250 member institutions, represent buyers and sellers of carbon credits, standard setters, the financial sector, market infrastructure providers, civil society, international organizations and academics. An advisory board of 20 environmental NGOs, investor alliances, academics and international organizations provide guidance on TSVCM recommendations.

The Taskforce has been working to establish the infrastructure for scaled and high-integrity voluntary markets for the trading and exchange of carbon credits since September 2020. To date, it has consulted on a recommended blueprint to build scaled and successful voluntary carbon markets and provided a roadmap for implementation. It has also identified and sought to overcome key governance gaps in the voluntary carbon market, the solutions to which will now be progressed by the governance body.

About the formation of the governance body

The appointment of the governance body, made up of a broad variety of representatives from international, skilled and capable backgrounds, represents a major milestone in the attainment of the Taskforce's vision of high-quality, high-integrity VCMs.

The composition of the governance body was undertaken by the TSVCM Advisory Board (compromised predominantly of NGOs and academics). It was carefully done to ensure diversity of background including skills, expertise, gender and geographic representation.

An important element of high-quality, high-integrity voluntary carbon markets is the movement of private capital to the Global South, where the majority of impactful nature-based projects are



located. Hence, the governance body has a diverse number of voices, many representing bodies within the Global South.

The market representatives were chosen by open voting by the Member Consultation Group in a robust and fair process, which saw any members who put themselves forward for the future body fully recused from decisions that relate to them.

The Board of Directors include:

- Agustin Silvani, SVP, Conservation Finance at Conservation International, Argentina
- Annette Nazareth, Senior Counsel, Davis Polk and former Commissioner, US Securities and Exchange Commission, United States
- Carl Wesselink, Director, SouthSouthNorth, South Africa
- Chris Leeds, Head of Carbon Markets Development, Standard Chartered, United Kingdom
- David Antonioli, CEO, Verra, Mexico
- Dee Lawrence, Director, High Tide Foundation, United States
- Doris Honold, Board Member, Climate Bonds Initiative, Germany
- Farrukh Khan, Chef de Cabinet, Office of the President of the 75th session of the UN General Assembly, Pakistan
- Giulia Carbone, Director NCS Alliance, WBCSD, Italy
- Hugh Sealy, Lecturer, Centre for Resource Management and Environmental Studies at the University of the West Indies, Barbados
- Jeff Swartz, Director of Climate, BP, United Kingdom
- Jonah Goldman, Managing Director, Breakthrough Energy, United States
- Kavita Prakash-Mani, CEO, Mandai Nature, Singapore, India
- Kelley Kizzier, Vice President, Global Climate at the Environmental Defense Fund, United States
- Ma Jun, President, Institute of Finance and Sustainability, China
- Mark Kenber, Managing Director, Climate Advisors Trust, United Kingdom
- Michael Hugman, Director of Climate Finance, Children's Investment Fund Foundation, United Kingdom
- Rod Taylor, Director of Forests Program, World Resources Institute, Australia
- Sonja Gibbs, Managing Director & Head of Sustainable Finance, Institute of International Finance, United States

In addition to these 19 representatives, the Board will have 3 representatives from indigenous people and local communities. The representatives from indigenous and local communities will be selected through a process set up by the newly-formed Board.

The Expert Panel will be co-chaired by:

- Pedro Barata, Senior Director, Environmental Defense Fund and Partner, Get2c
- Daniel Ortega-Pacheco, Director, Center for Public Policy Development, ESPOL Polytechnic University
- Dr. Lambert Schneider, Research Coordinator for International Climate Policy, Energy & Climate Protection, Öko-Institut
- Lian Pin Koh, Professor and Director, Centre for Nature-based Climate Solutions, National University of Singapore



These Co-Chairs will decide on panel members. Experts will be sought across many geographies and domains of knowledge.

Funding will be provided, in part, by the Founding Sponsors below:

- Breakthrough Energy
- Coalition For Rainforest Nations
- Conservation International
- Ecosystem Marketplace
- Environmental Defense Fund
- High Tide Foundation
- Institute of International Finance
- National University of Singapore
- Öko-Institut e.V.
- SouthSouthNorth
- The Nature Conservancy
- World Business Council for Sustainable Development
- World Resources Institute

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