

MEMORANDUM

To: Comment File (S7-10-22) – The Enhancement and Standardization of Climate-Related Disclosures for Investors

From: The Office of the Chair, U.S. Securities and Exchange Commission

Date: August 3, 2022

Re: Meeting with the Center for Climate and Energy Solutions Center (C2ES)

On August 1, staff from the Office of the Chair met with representatives of the Center for Climate and Energy Solutions Center (C2ES) about the SEC’s proposal for the enhancement and standardization of climate-related disclosures for investors. During the meeting, participants discussed C2ES’s comment letter. The C2ES participants also shared slides about the work of the Integrity Council for the Voluntary Carbon Market.

C2ES Attendees:

- Verena Radulovich, Vice President for Business Engagement
- Jason Ye, Director of U.S. Policy and Outreach
- Cataline Cecchi, International Fellow
- Rosalie Ruetz, Business Engagement Coordinator

SEC Attendees:

- Heather Slavkin Corzo, Policy Director, Chair’s Office
- Mika Morse, Policy Counsel, Chair’s Office



CORE CARBON PRINCIPLES

PUBLIC CONSULTATION

JULY – SEPT 2022

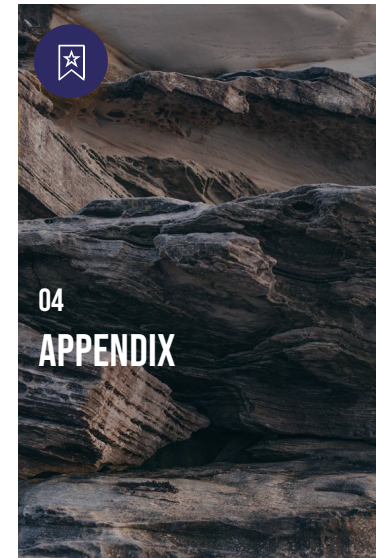
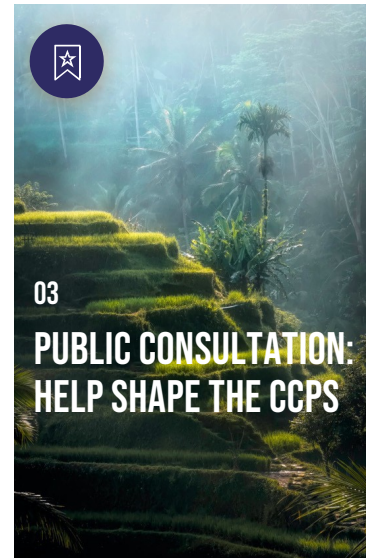
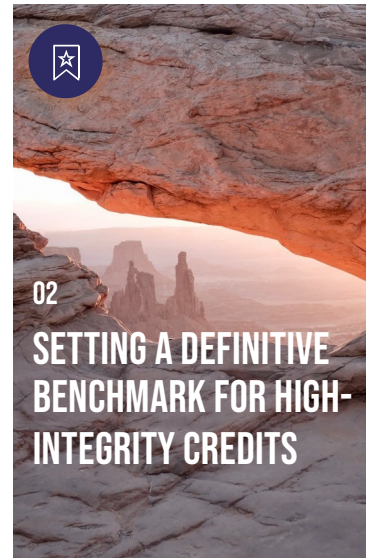


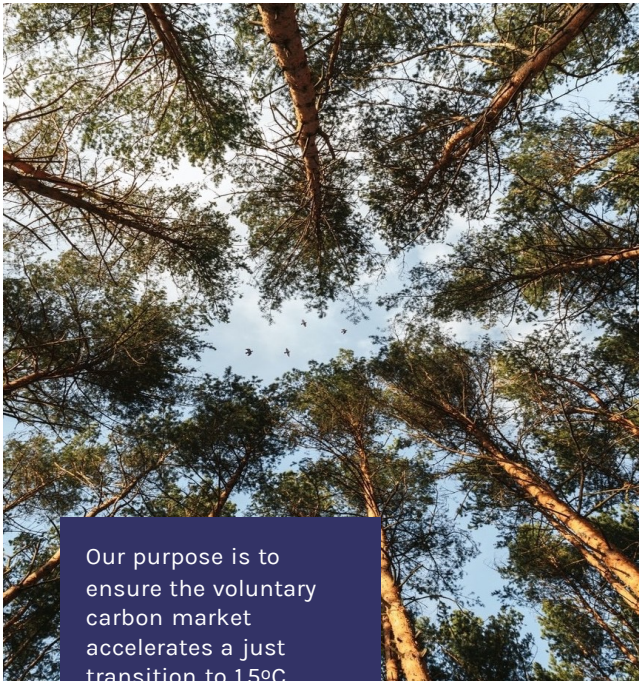
THE INTEGRITY COUNCIL
FOR THE VOLUNTARY CARBON MARKET

**THE VOLUNTARY CARBON MARKET IS CRITICAL TO
ACCELERATE A JUST TRANSITION TO 1.5°C.**

**BUT IT WILL ONLY SUCCEED IF IT IS
ROOTED IN HIGH
INTEGRITY.**

WELCOME





Our purpose is to ensure the voluntary carbon market accelerates a just transition to 1.5°C.

THE INTEGRITY COUNCIL FOR THE VOLUNTARY CARBON MARKET

- ✔ The Integrity Council for the Voluntary Carbon Market (Integrity Council) is an independent governance body for the voluntary carbon market.
- ✔ Our purpose is to ensure the voluntary carbon market accelerates a just transition to 1.5°C.
- ✔ We do this by setting and enforcing definitive global threshold standards, drawing on the best science and expertise available, so high-quality carbon credits channel finance towards genuine and additional greenhouse gas reductions and removals that go above and beyond what can otherwise be achieved, and contribute to climate resilient development.

HOW CAN WE BUILD A HIGH-INTEGRITY VOLUNTARY CARBON MARKET?



WHY DO WE NEED A HIGH INTEGRITY VCM?

High-integrity carbon credits can unlock urgently-needed finance to reduce and remove billions of tons of emissions. To achieve 1.5 degrees, we need every tool available working at full speed.



THE ROLE OF THE INTEGRITY COUNCIL

The Integrity Council seeks to build a widely-shared understanding of what high integrity means, in a framework that is workable and establishes a pathway for continual improvement.



WHAT ARE THE CORE CARBON PRINCIPLES?

The CCPs are designed to establish interlinked, fundamental principles for high-quality carbon credits that create real, additional and verifiable climate impact with high environmental and social integrity.



WHAT DIFFERENCE WILL THIS MAKE?

By establishing a globally-recognised threshold standard for high-integrity credits, the CCPs will build trust, unlock additional investment and help deliver real climate impact at speed and scale.



HOW CAN YOU GET INVOLVED?

Have your during at the Public Consultation. To make this work, we need everyone the VCM affects to share knowledge and expertise, and collaborate to co-create the CCPs and Assessment Framework.

A GLOBALLY-RECOGNISED THRESHOLD STANDARD FOR HIGH-INTEGRITY CARBON CREDITS



CORE CARBON PRINCIPLES

The Core Carbon Principles represent the commonly-accepted fundamental elements for high-integrity carbon credits that create real, additional and verifiable climate impact with high atmospheric, environmental and social integrity.

ASSESSMENT FRAMEWORK

The CCPs are operationalised through the Assessment Framework, which sets out criteria for the Integrity Council to consistently evaluate whether carbon credits and carbon-crediting programs meet the provisions outlined in the CCPs.

ASSESSMENT PROCEDURE

The Assessment Procedure sets out the process for CCP-approval, how eligible carbon credits will be tagged, and how the Integrity Council will facilitate the continual development of the voluntary carbon market.



WHAT ARE THE CORE CARBON PRINCIPLES?

The CCPs are designed to establish interlinked, fundamental principles for high-quality carbon credits that create real, additional and verifiable climate impact with high environmental and social integrity.

01. ADDITIONALITY

02. MITIGATION ACTIVITY INFORMATION

03. NO DOUBLE COUNTING

04. PERMANENCE

05. PROGRAM GOVERNANCE

06. REGISTRY

07. ROBUST INDEPENDENT THIRD-PARTY VALIDATION AND VERIFICATION

08. ROBUST QUANTIFICATION OF EMISSION REDUCTIONS AND REMOVALS

09. SUSTAINABLE DEVELOPMENT IMPACTS AND SAFEGUARDS

10. TRANSITION TOWARDS NET-ZERO EMISSIONS



KEY ISSUES

The draft CCPs and the Assessment Framework have been developed in open dialogue with stakeholders from across the voluntary carbon market ecosystem.

Additionality

Permanence

Environmental & Social Safeguards

Jurisdictional REDD

Corresponding Adjustments



OUR APPROACH

These issues have been the focus of expert sub-panels and iterated with Board. We have allowed for these through our process:

Draft CCPs & AF

Proposals build on existing best practice, and propose some new requirements

Phased Approach

Initial threshold for consistent integrity and clear pathway to higher-stringency requirements

Flexibility

Alternative approaches that achieve a similar level of stringency will be considered

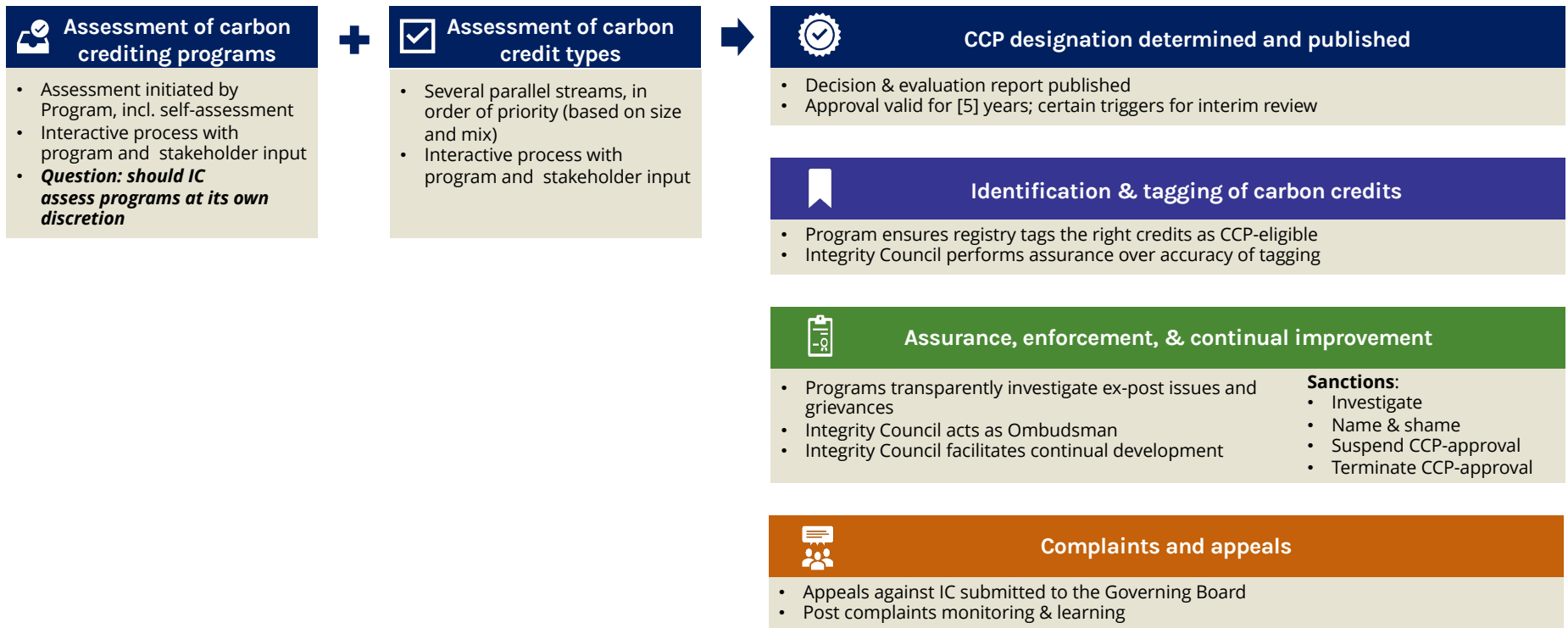
JREDD considerations

Generic CCPs will apply, but the Assessment Framework adapts for JREDD in certain areas

Options for consultation

Options presented on key questions of policy, including Corresponding Adjustments

ASSESSMENT PROCEDURE





HAVE YOUR SAY

Please submit generic and detailed written comments and suggestions via the BSI's online commenting system.

The document includes questions and options to further inform specific points, or policy decisions.

The public consultation closes at 23:59 British Standard Time on 27 September 2022

More information at www.icvcm.org



THE CONSULTATION DOCUMENT

The document contains the draft CCPs, Assessment Framework and Assessment Procedure for public consultation. The document is organised as follows:

- Part 1: **Introduction**
- Part 2: **Draft CCPs**
- Part 3: **Summary for Decision Makers**
- Part 4: **Draft Assessment Framework**
- Part 5: **Terms and Definitions**
- Part 6: **Draft Assessment Procedure**



WHAT HAPPENS NEXT

All suggested edits and comments will be logged and fully considered as the Integrity Council revise the CCPs, Assessment Framework and Assessment Procedure for review and approval by the Governing Board.

The Integrity Council is **targeting Q4 2022 for publication** of the official CCPs, Assessment Framework and Assessment Procedure.

CCP & ASSESSMENT FRAMEWORK TIMELINE

JULY - SEPT



PUBLIC CONSULTATION

60-day window open until 23:59pm BST 27 September 2022. Comments must be submitted via the BSI's online system.

SEPT - NOV



REVIEW & UPDATE

All responses logged and considered before CCPs, Assessment Framework and Assessment Procedure finalized and approved by the Governing Board.

Q4 2022



PUBLISH VERSION 1.0

The Integrity Council aims to publish official version of the CCPs, Assessment Framework and Assessment Procedure in Q4 2022.

Q1 2023



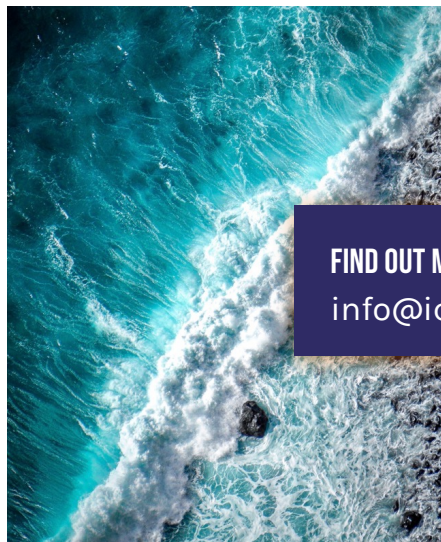
ASSESSMENT BEGINS

Carbon-crediting programs invited to apply for assessment; methodologies for credit types assessed in parallel streams.



QUESTIONS

- Follow us on Twitter (@ic_vcm) or subscribe to LinkedIn (www.linkedin.com/company/icvcm)
- Sign up for **newsletter** via our website or info@icvcm.org
- Visit our new website: www.icvcm.org
- Media enquiries: icvcm@greenhouse.agency



FIND OUT MORE BY EMAILING:
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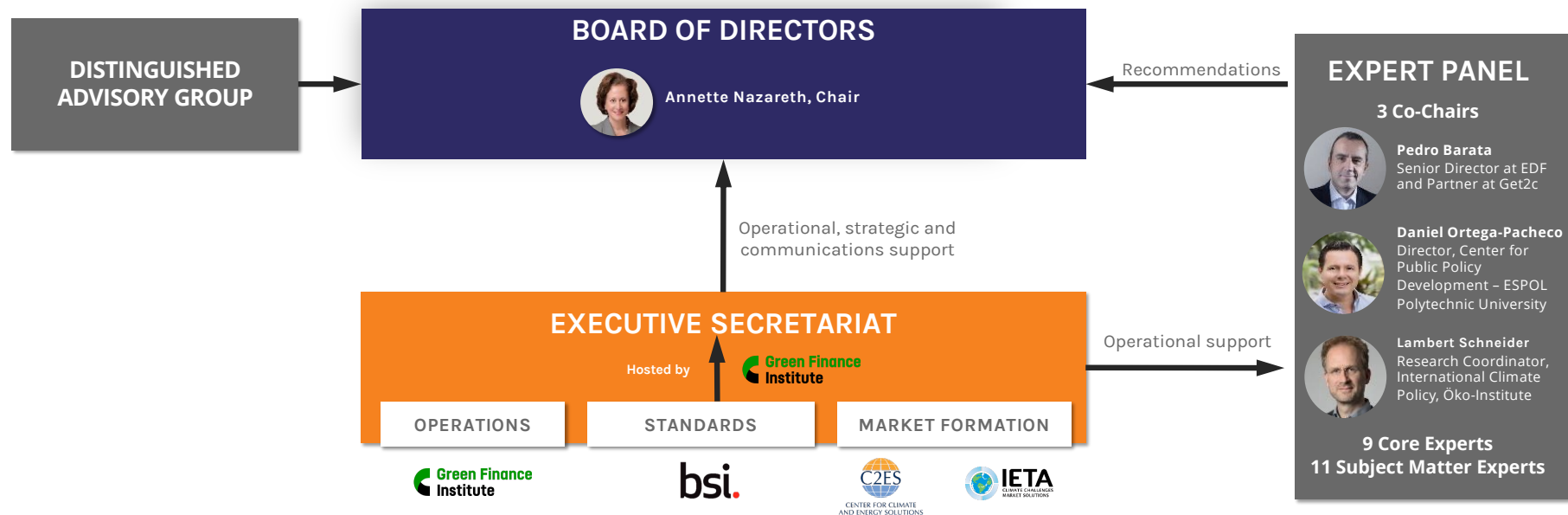
APPENDIX





THE INTEGRITY COUNCIL ENCOMPASSES DEEP AND VARIED EXPERTISE

We recognise the critical importance of including the local communities and indigenous people that will be affected, on the ground, on the front line of the climate crisis.



BOARD OF DIRECTORS

The Board consists of 22 Board Members with representation across all the key stakeholder groups including experts in carbon market methodologies, sustainable finance, eNGOs, UNFCCC process expertise, regulatory affairs, the corporate sector, science and academia, local community and indigenous peoples.

Chair



Annette Nazareth



Giulia Carbone



Sonja Gibbs



Doris Honold



Michael Hugman



Ma Jun



Angela Churie Kallhaug



Farrukh Khan



Mark Kenber



Kelley Kizzier



Dee Lawrence



Ann Mettler



Kavita Prakash-Mani



Agustin Silvani



Rod Taylor



Carl Wesselink



Perumal Arumugam
(Observer)



David Antonioli



Chris Leeds



Jeff Swartz

Elected market representatives

Chosen via vote by the Member Consultation Group, acting in their personal capacity



Francisco Souza



Indigenous Peoples and Local Communities

Placeholder for 2 voting Board members from traditionally underrepresented stakeholder communities (e.g. peoples from indigenous groups, rainforest nations, etc.)



EXPERT PANEL

Our Expert Panel, which guides the governing body on technical issues, is made up of 12 leading carbon market experts with long-standing experience in the environmental and social integrity of carbon markets, supported by a body of Subject Matter Experts.

EXPERT PANEL CO-CHAIRS



Pedro Martins Barata
Senior Director at EDF and
Partner at Get2c



Daniel Ortega-Pacheco
Director, Center for Public Policy
Development -ESPOL
Polytechnic University, Ecuador



Lambert Schneider
Research Coordinator,
International Climate Policy,
Öko-Institute

CORE EXPERTS



Derik Broekhoff
Stockholm
Environment
Institute



Gilles Dufrasne,
Carbon Market
Watch



Jürg Fussler
INFRAS



Donna Lee
Calyx Global



Jessica Wade-Murphy
Atmosphere Alternative



Felipe de Leon
Independent
Advisor



Ousmane Fall Sarr
West African Alliance on
Carbon Markets



Gabriel Labbate
UNEP



Sudhir Sharma
GEF UNEP

SUBJECT MATTER EXPERTS

11 experts supporting the Expert Panel's evaluation of specific carbon crediting programs and classes of carbon credits with their specialist expertise.

	Amr Osama Aziz
	Nate van Beilen
	Michael Gillenwater
	Kelley Hamrick
	Stephanie La Hoz Theuer
	Ma Xin
	Karen Olsen
	Sue Philips
	Frances Seymour*
	Randall Spalding-Fetcher
	Steve Thorne

*Contributed to initial development of draft CCPs and Assessment Framework



DISTINGUISHED ADVISORY GROUP

The Distinguished Advisory Board Group includes around 31 world-renowned leaders from across the voluntary carbon market value chain who provide strategic insight and advice to the Board.

- | | | | | |
|--|---|---|--|---|
|  Tim Adams
IIF |  Fu Chengyu
Sinopec |  Hindou Ibrahim
Association for Indigenous
Women and Peoples of
Chad |  Joaquim Levy
Former Managing Director
and World Bank Group
Chief Financial Officer |  Emilio Sempris
Former Panama Minister of
Environment |
|  Sandy Boss
BlackRock |  Amelia DeLuca
Delta Airlines |  Michael Jenkins
Ecosystem Marketplace |  Catherine McGuinness
City of London |  Vera Songwe
UN Economic
Commission for Africa |
|  Peter Boyd
Yale School of the
Environment |  Paula DiPerna
CDP |  Tuntiak Katan
Alliance of Territorial
Communities |  Renée González Montagut
Fondo Mexicano para la
Conservación de la
Naturaleza |  Nicholas Stern
Grantham Research
Institute, LSE |
|  Kate Brandt
Google |  Clara Furse
London Stock
Exchange and HSBC |  John Kilani
Al-Attayah Foundation |  Alberto Musalem
Evince Asset
Management |  Adair Turner
Energy Transitions
Commission |
|  Alberto Carrillo
SBTi |  Jonah Goldman
Breakthrough Energy |  Lian Pin Koh
University of Singapore |  Dilhan Pillay
Sangrasegara
Temasek |  Bill Winters
Standard Chartered |
|  Mark Carney
UN Special Envoy on
Climate Action and
Finance |  Blas L. Pérez
Henríquez
Stanford University |  Leonardo Lacerda
The Nature
Conservancy |  Laurent Segalen
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