

UNDP's High Integrity Carbon Markets Initiative

12 Dec 2023



The background is a collage. On the left, a woman wearing a red hijab and a tan baseball cap with a 'K' logo smiles while holding a large basket of green leafy vegetables. To her right is a torn paper effect revealing a light blue sky with white clouds. At the top center, a large red flower is partially visible. At the bottom left, there is a piece of yellow paper with dark brown floral patterns.

Introduction

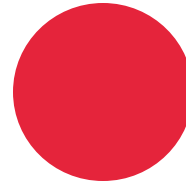
High –integrity carbon markets can enable the transition of economies to net-zero societies by mid-century, advancing the implementation of NDCs and SDGs.

UNDP is actively collaborating with global partners and initiatives (UNFCCC, IC-VCM, VCMi, Climate Focus), focusing on operationalizing robust principles and guidelines that ensure high integrity across all types of carbon markets.

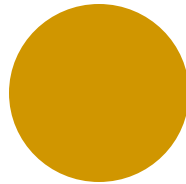
A robust carbon market relies on credible demand as well as a stable and high-integrity supply of carbon credits.

Vision & mission

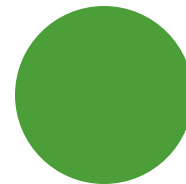
UNDP has a strong track record, is well positioned and can scale-up systematic support to countries and local stakeholders, supporting the generation of high-quality carbon credits and matching them with high-integrity buyers.



Developing countries are well positioned to catalyze the generation of high-integrity emission reductions and removals.



To produce quality carbon credits, countries need technical assistance to understand and operationalize the high integrity principles.



Vision - To make carbon markets work for host countries, NDCs and the SDGs.

Mission - Assist host countries and local stakeholders to access high-integrity carbon markets at scale, in order to contribute to global climate change mitigation targets.

Strategic Outcomes

Lines of action:

- Convening diverse stakeholders
- Supporting the setting up of frameworks and building local capacities
- Integrating high integrity guardrails



01 Unlocking carbon markets finance for enhanced implementation of NDCs and SDGs.

02 Fostering equity in carbon markets, improving outcomes for host countries and local stakeholders.

03 Increasing the supply of high-quality carbon credits on a global scale.



UNDP high integrity carbon markets offer

Readiness	Implementation		
Offer 1 Carbon markets access strategies 	Offer 2 Article 6.2 ITMOs	Offer 3 Jurisdictional voluntary carbon markets	Offer 4 Domestic carbon markets/ emission trading schemes
 <div> Cross-cutting application of high-integrity guardrails: Carbon elements; Social and environmental safeguards; Enhancement of SDGs </div>			

<https://climatepromise.undp.org/what-we-do/areas-of-work/carbon-markets>

Existing portfolio

- **Ghana and Vanuatu** – support for **Article 6.2 ITMO transactions** with the government of Switzerland.
- **Georgia, Malawi, Morocco, Peru, Senegal, Ukraine, and Uruguay** - **Capacity building on Article 6.2**
- **Brazil:**
 - Support the setting up of the national authority responsible for **Article 6** approvals.
 - MRV and safeguards support to the **Brazilian Amazon states** to comply with the ART/ TREES standard for **REDD+ transactions with LEAF/ voluntary carbon markets** and technical guidance for nesting of independent projects (GCF-TF).
- **Cambodia**
 - Support Article 6 readiness and NDC trajectory setting, as well as on forest carbon and safeguards elements, which contributes to the preparation of a carbon markets access roadmap.
- **Costa Rica**
 - Support the certification of ART/ TREES results that will be paid for by the government of Norway.
- **Ghana**
 - UNDP will be the **financial intermediary for their access to LEAF** resources for the sale of ART/ TREES credits.
- Other countries receiving tailored carbon markets support (early & intermediate stages) - **Kenya, Ivory Coast, Uganda, Liberia, Indonesia and Viet Nam.**



In partnership with
Canada



UNDP Support to DENR on Carbon-Related Initiatives



GEF-UNDP- DENR Biodiversity Corridor Project



- Review, finalization and roll-out of DENR-Forest Management Bureau's (FMB) Carbon Accounting, Verification and Certification System (CAVCS) Manual (procurement of firm by FMB)
 - Design and establishment of carbon registry (2024)
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Embassy of Canada- UNDP Accelerating Green and Climate Finance in the Philippines (AGCF)

1. Gap Analysis

- Focus on legal, regulatory and enabling frameworks
- Operationalizing carbon market
- Access to international climate finance
- Project development criteria, including site selection, tenure instruments

2. Stocktaking of carbon-related projects

- Pipeline and ongoing forest and blue carbon projects (area, size, standards, methodology), including those of private corporations
- Ongoing projects of donors, e.g., grants, GCF results-based payments

3. International best practices

- Government mechanisms, policies and regulatory frameworks
- Carbon taxes and emissions trading system (ETS)

4. Policy

- Policy options on project development
- Consolidation of policy options

5. Roadmap

- Carbon Trading Policy Roadmap (feasibility study, governance, policies, financing, capacity-building plan, implementation strategy)
- Terms of Reference of experts to be engaged in the development of the carbon trading policy, including relevant subject matter experts and prepare their corresponding TORs for the design of an institutional framework and mechanisms for the issuance, distribution, trading, and monitoring of emissions allowances, as well as the establishment and operation of the interoperable central registry, trading, and MRV system.
- Guidance on increasing government readiness to carbon finance; input to overall carbon trading policy roadmap

- Activities Conducted:
 - Stakeholder consultation 1: NGAs – November 8



- Activities Conducted:
 - Stakeholder consultation 2: private sector, CSOs – 21 November



- Next steps: January 2024
 - Stakeholder consultation 3: LGUs and IPLCs
 - Stakeholder consultation 4: donors/development partners

Under the Biodiversity Finance Initiative (BIOFIN)

- Feasibility study on biodiversity credits
 - Policies, financing, governance mechanisms, international best practices, pilot-test process (priority sectors where these can be demonstrated)



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THANK YOU



Climate Promise
Carbon Markets
website

