

Technical Workshop

Voluntary action under the Paris Agreement: its role in raising ambition, mobilizing private sector finance and supporting carbon pricing

Agenda

Monday, October 22, 2018 | Buenos Aires, Argentina

The entry into force of the Paris Agreement represents a unique opportunity for voluntary action. The desire for international progress on climate change was demonstrated by the speed at which the Agreement entered into force. However, the scale of emission reductions pledged is insufficient to restrict the increase in the global average temperature to well below 2°C above pre-industrial levels. This is an issue that is being discussed under the Article 6 negotiations, as the article enables Parties to voluntarily cooperate to allow for higher ambition.

This presents an opportunity for the private sector to step up and work more closely with Governments to raise ambition and deliver the objectives of the Paris Agreement. Voluntary action – voluntary mitigation action by non-state actors– can be a tool to raise ambition, but also to mobilize private sector finance and prepare the ground for mandatory carbon pricing. Voluntary action can be supported through a government program, such as a carbon neutral program, and through the sale of credits to domestic or international organizations.

To date, the voluntary market has helped reduce, sequester, or avoid over 437 MtCO₂-e. In 2017 alone, projects issued 62.7 MtCO₂-e and 42.8 MtCO₂-e were retired, setting record highs for the voluntary carbon market. This growth looks set to continue in 2018¹.

However, when considering voluntary action, there are important questions that policy makers need to consider, such as how does voluntary action contribute to the achievement of NDCs, how to account for any associated trade of emissions reductions, and how to design any program aimed at supporting voluntary action?

The purpose of this workshop is to bring together government policymakers and market participants to discuss these issues and to broaden understanding of the benefits, challenges and approaches to voluntary action.

9.00 – 9.10	Welcome and introduction - Welcome Remarks, <i>Daniel Besley, PMR Secretariat</i>
09.10– 10.30	Session 1. Introduction to voluntary action and the voluntary carbon market <i>This session discusses the way the voluntary carbon market works, the main challenges lying ahead as the Paris Agreement is implemented and the key considerations for a transition to mandatory carbon pricing. The session starts with introductory remarks followed by a poll amongst participants about their experience with the voluntary carbon market. The session then explores the evolution of voluntary markets and the role played by private sector voluntary action in providing critical finance for mitigation. Representatives from the voluntary carbon market</i>

¹ <https://www.forest-trends.org/publications/voluntary-carbon-markets/>

	<p><i>highlight the key challenges for the promotion of voluntary action under the Paris Agreement and discuss pathways for a transition to a compliance pricing mechanism. The session ends with a short discussion in groups to identify key questions about how the voluntary market works and supports carbon pricing.</i></p> <p><i>Moderator: Jochen Gassner, First Climate</i></p> <p>Presentations:</p> <ul style="list-style-type: none"> - Introduction to the voluntary carbon market, <i>Jochen Gassner, First Climate</i> - The UNFCCC’s carbon offset platform and the role of voluntary action under the Paris Agreement, <i>Philipp Eyre, UNFCCC</i> - Perspectives from a project developer, <i>Ana Aires Carpinteiro, Nexus for Development</i> <p>Discussion at tables</p>
10.30 – 11.00	Coffee/Tea break
11.00 – 12.30	<p>Session 2. Voluntary action and the Paris Agreement: how voluntary action works with NDCs</p> <p><i>The session focuses on the interaction between voluntary commitments from non-state actors and the implementation of NDCs by Parties. Through an illustrative case study, we then explore the issues associated with accounting for voluntary action post 2020 to ensure environmental integrity and deliver against the sustainable development requirements of the Paris Agreement. We hear perspectives from Parties that have supported voluntary action and the issues they have faced. The session ends with a discussion in groups to identify key questions, to be followed by a moderated discussion with all participants to address and prioritize these for further discussion after lunch.</i></p> <p><i>Moderator: Jeff Swartz, South Pole Group</i></p> <p>Presentations:</p> <ul style="list-style-type: none"> - Introduction to voluntary action under the Paris Agreement, <i>Jeff Swartz, South Pole Group</i> - Voluntary action in Peru and use of offsets, <i>Lorenzo Alejandro Eguren Ciurlizza, Ministry of Environment, Peru</i> - Costa Rica’s voluntary carbon program and the role of the private sector, <i>Silvia Charpentier, Ministry of Environment and Energy, Costa Rica</i> - Chile Carbon Footprint program and role of domestic offsets, <i>Nicolas Westenenk, Ministry of Energy, Chile</i> <p>Discussion at tables</p>
12.30 – 13.30	Lunch
13:30 – 14.45	<p>Session 3. How to design, implement, promote and govern voluntary action</p> <p><i>This session discusses how to design and implement resilient and effective national and international voluntary carbon markets. It starts with short presentations on the principles of good design; the options available to Parties to attract private sector funding for mitigation activities; and, the necessary infrastructure and governance platforms to underpin the integrity of voluntary action. Small group discussion</i></p>

	<p><i>follows to identify how voluntary action across the private sector can be promoted to raise ambition and secure incremental sources of finance. The session ends with a moderated discussion with previous presenters and all participants to address key questions and draw conclusions from workshop discussions.</i></p> <p><i>Moderator: Jonathan Shopley, Natural Capital Partners</i></p> <p>Presentations:</p> <ul style="list-style-type: none"> - The necessary infrastructure for successful voluntary carbon markets, <i>Mary Grady, American Carbon Registry</i> - Guiding principles for the design and governance of effective voluntary carbon markets, <i>Jonathan Shopley, Natural Capital Partners</i> <p>Moderated discussions:</p> <ul style="list-style-type: none"> - Small group discussions to identify ways to promote voluntary action across private sector - All previous panelists in questions and answer session - Wrap-up and conclusions
14:45 – 15:00	Coffee/Tea break
15:00 – 17:00	<p>Session 4. Motivating Private Sector Action through Climate Auctions</p> <p><i>This session discusses an alternative way of catalyzing voluntary action –using auctions to incentivize private sector action through the provision of a price guarantee for GHG abatement. It starts with an overview of climate auctions and how they can be used as a transition tool to raise political ambition and build private sector’s capacity towards future carbon pricing instruments and policies. The session then moves into a moderated discussion about the sectors and policy areas which may be suitable for climate auctions.</i></p> <p><i>Moderator: Stephanie Rogers, World Bank</i></p> <p>Presentations</p> <ul style="list-style-type: none"> - Overview of climate auctions, <i>Stephanie Rogers, World Bank</i> - De-risking investment: results-based climate finance and price guarantees, <i>Thomas Kansy, Vivid Economics</i> - Potential to use climate auctions to transition toward carbon pricing policy, <i>Thomas Kansy, Vivid Economics</i> <p>Moderated discussion</p> <ul style="list-style-type: none"> - Discussion of sectors and policy goals - Questions and answers and wrap-up
17.00 – 17:10	<p>Workshop close</p> <ul style="list-style-type: none"> - <i>Venkata Putti, PMR Secretariat</i>