

Committee(s): Policy & Resources Committee – For Information	Dated: 14/10/2021
Subject: City Corporation Selected as Founding Sponsor of new Global Governance Body for Voluntary Carbon Markets	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	6,7
Does this proposal require extra revenue and/or capital spending?	Already agreed by Members (July P&R)
If so, how much?	N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes
Report of: Damian Nussbaum	For Information
Report author: Carla Sateriale, Innovation and Growth	

Summary

This report informs Members that the City Corporation was selected to be a founding sponsor of the new Global Governance Body for Voluntary Carbon Markets (VCMs).

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. In July 2021, Members of the Policy & Resources Committee approved a proposal for the City Corporation to bid to be a Founding Sponsor of a new Governance Body for VCMs. A bid was subsequently submitted on 9 August 2021.
2. The composition of organisations supporting the new body was announced on 21 September by the global Taskforce for Scaling Voluntary Carbon Market (TSVCM), initiated by Mark Carney.

Current Position

3. The City Corporation has been selected as one of the thirteen organisations chosen to be a Founding Sponsor.
4. In this capacity, it has been offered a three-year seat on the new body’s Senior Advisory Council, to be assumed by the Chair of Policy and Resources.

5. Independently, the Green Finance Institute (GFI) was selected to serve as the operational lead to host the new body's executive secretariat.

Options

6. Not applicable

Proposals

7. Not applicable

Key Data

8. The TSVCM estimates that the market for carbon credits could be worth upwards of \$50 billion by 2030.

Corporate & Strategic Implications

9. **Strategic implications:** This project contributes to key outcomes under the 'support a thriving economy' objective in the Corporate Plan. Specifically, outcome 7 (We have the world's best legal and regulatory framework and access to global markets) and 8 (We are a global hub for innovation in finance and professional services, commerce and culture) respectively.

10. **Financial implications:** Members agreed in July 2021 to contribute c.£200,000 per year for three years (funded via the Policy Initiatives Fund) to cover costs of London-based office space for the new body, plus £15,000 in this Financial Year (Policy Initiatives Fund) to cover promotional activities.

11. **Resource implications:** The project is managed and supported by existing IG resource.

12. **Legal implications** - None

13. Risk implications

- **Reputational** - involvement with the voluntary carbon markets has in the past attracted criticism from environmental groups. This can be mitigated by thoughtful media engagement.
- **Political** - some critics of voluntary carbon markets assert that establishing global voluntary markets undermines the ambitions of Article 6 of the Paris Agreement. However, the last several COPs have failed to produce international agreement on Article 6 mechanisms, which is why private sector action is urgently needed. Moreover, this initiative is aligned with HMG's ten-point plan for a green industrial revolution.

14. **Equalities implications:** None

15. **Climate implications:** This strategy is well aligned with our Climate Action Strategy.

16. **Security implications** - None

Conclusion

17. City Corporation will be a Founding Sponsor of the new body (name to be determined) until at least 2024.

Appendices

None

Background Papers

See non-public P&R Committee Report from July 2021, "Sponsoring a Global Governance Body for Voluntary Carbon Markets."

Carla Sateriale

Senior Policy Advisor, ESG, Innovation & Growth

T: 07514 979071

E: carla.sateriale@cityoflondon.gov.uk