

Tools to enable private sector action in REDD+

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What is required?

- **Pilots** – In the absence of rules, pilots are to play a vital role as vehicles to taste various aspects of art.6 and consequently inform the international discourse on develop art. six rules.
- **Engagement** – Government/public sector is mostly responsible for early stage negotiations in formulation of art.6 pilots. Private sector may mostly come in at the implementation stage.
- **Capacity Building** – There is an urgent need for capacity building in host countries regarding prioritization in their NDCs, aspects of governance of carbon assets and strengthening Monitoring Reporting and Verification (MRV) for a better transparency framework.
- **Assurance** – With a risk averse and profit oriented private sector, governments will need to create assurance and clarity on the future of art. 6 as a means of facilitating the private sector to engage.

What is required?

- **Collaboration** – In order to achieve the ambition in the Paris Agreement you need a collaborative approach to engage all different sectors (private and public)
- **Political Direction** – Clarity around Paris Rulebook is essential so that private sector can mobilize finance
- **Transparency** – It is essential to provide transparent market based solutions in order to ensure a sustainable price ITMOs
- **Confidence** – Confidence is essential to ensure we scale the ambition. One way is to ensure that A6.4ERs are seen as a stable asset class
- **Capacity Building** - Key for the private (and public) sector is capacity building – as these are new mechanisms (e.g. NDCP community expressed their interest in having a permanent forum to regularly exchange views, particularly around Art. 6 implementation)



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