



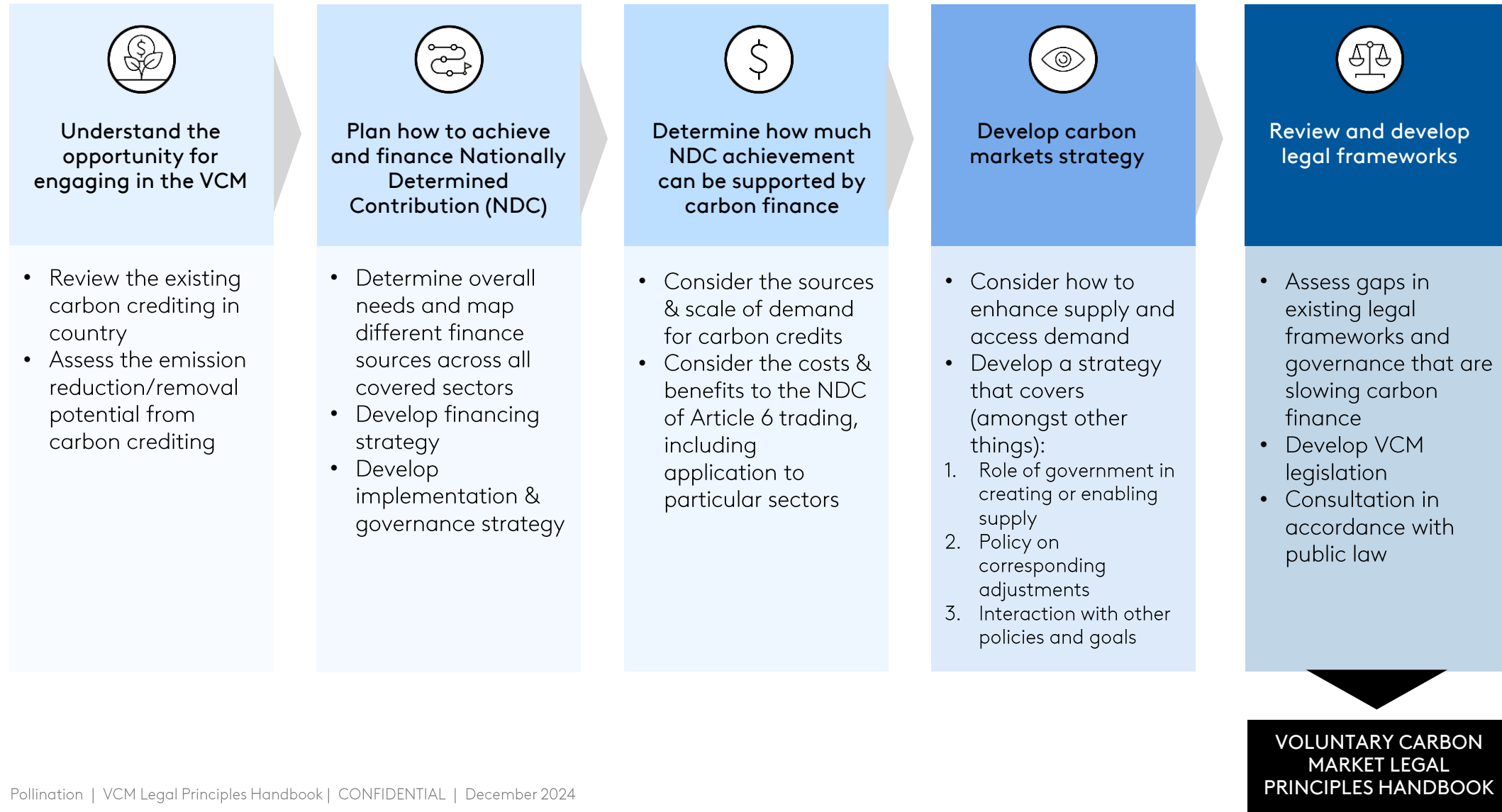
Forthcoming VCM Legal Principles Handbook

*Guidance for ADB DMC law and policy makers
seeking to engage with voluntary carbon markets*

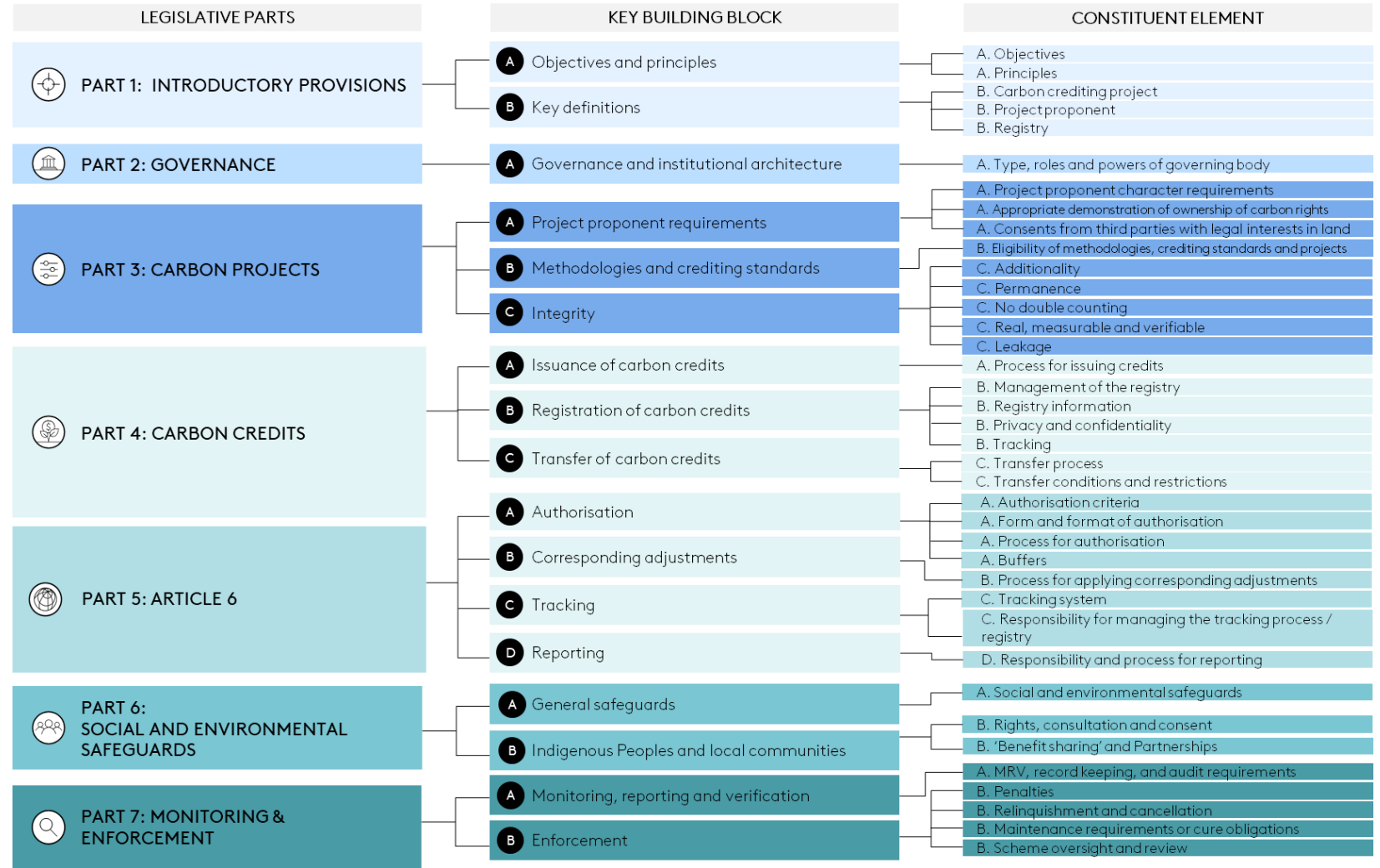
DECEMBER 2024

COMMERCIAL IN CONFIDENCE

Policymakers should consider policy and strategic decisions on the role of VCMs in NDC achievement, and may utilise legislation to achieve these goals



The Handbook covers the ‘supply side’ legal building blocks for countries to establish a domestic crediting scheme or utilise international carbon crediting standards





Fundamental
building
blocks in
VCM
legislation
likely to be
required for
regulating
carbon
projects

ADB DMCS ESTABLISHING A DOMESTIC CARBON CREDITING SCHEME

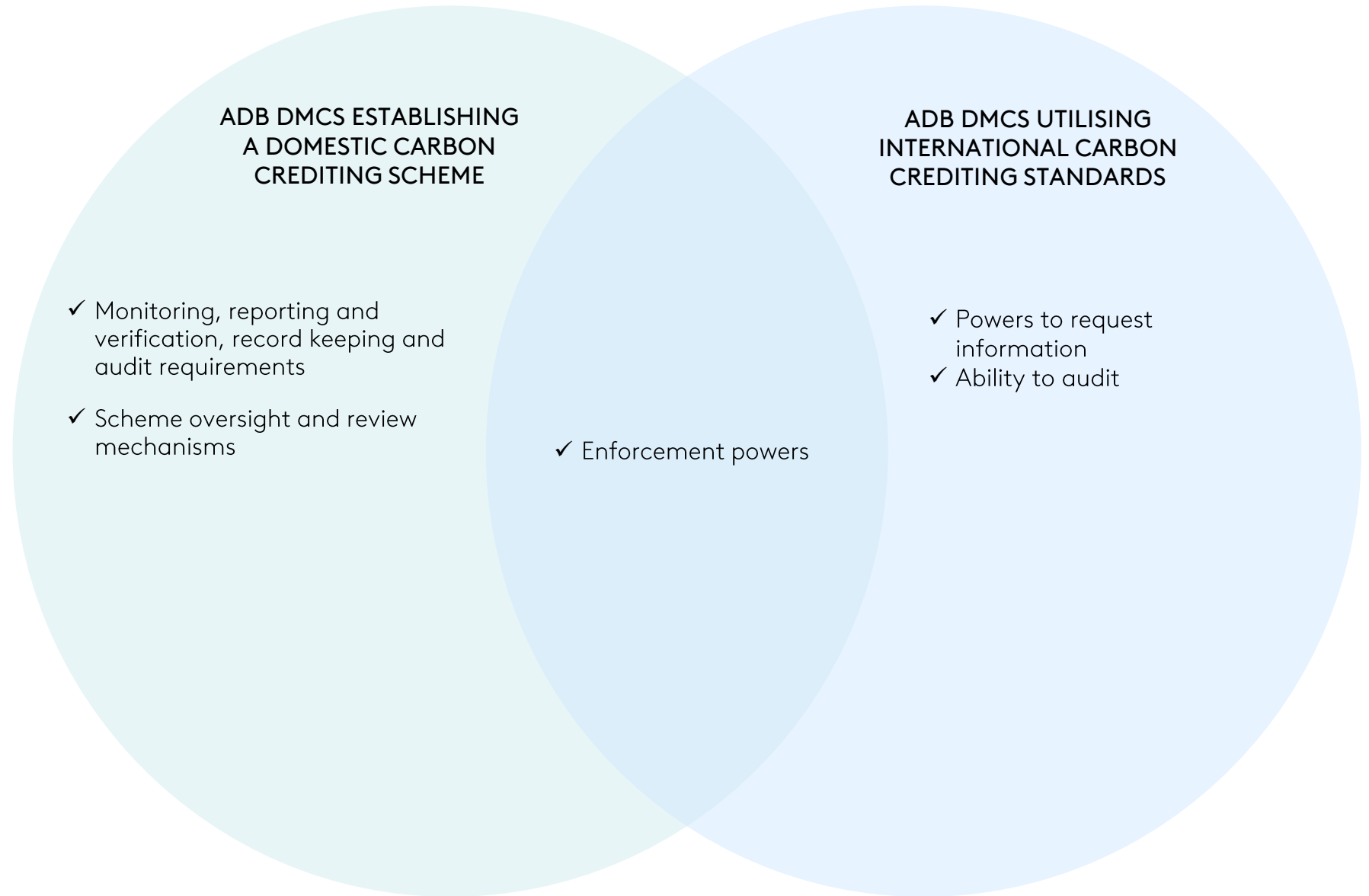
- ✓ Process for developing and approving methodologies
- ✓ Eligibility criteria for carbon crediting projects and a process for assessing and approving projects against these
- ✓ Requirements for carbon crediting projects to demonstrate additionality
- ✓ Requirements to mitigate against the risk of leakage

ADB DMCS UTILISING INTERNATIONAL CARBON CREDITING STANDARDS

- ✓ Project proponent requirements
- ✓ Requirements to ensure that emissions reductions or removals achieved by projects are long-lived, real, measurable and verified
- ✓ Requirements to mitigate against the risk of double counting
- ✓ Requirements to ensure permanence
- ✓ Process for approving international carbon crediting standards (and potentially specific methodologies) that can be used in the country



Fundamental building blocks in VCM legislation likely to be required for MRV and enforcement

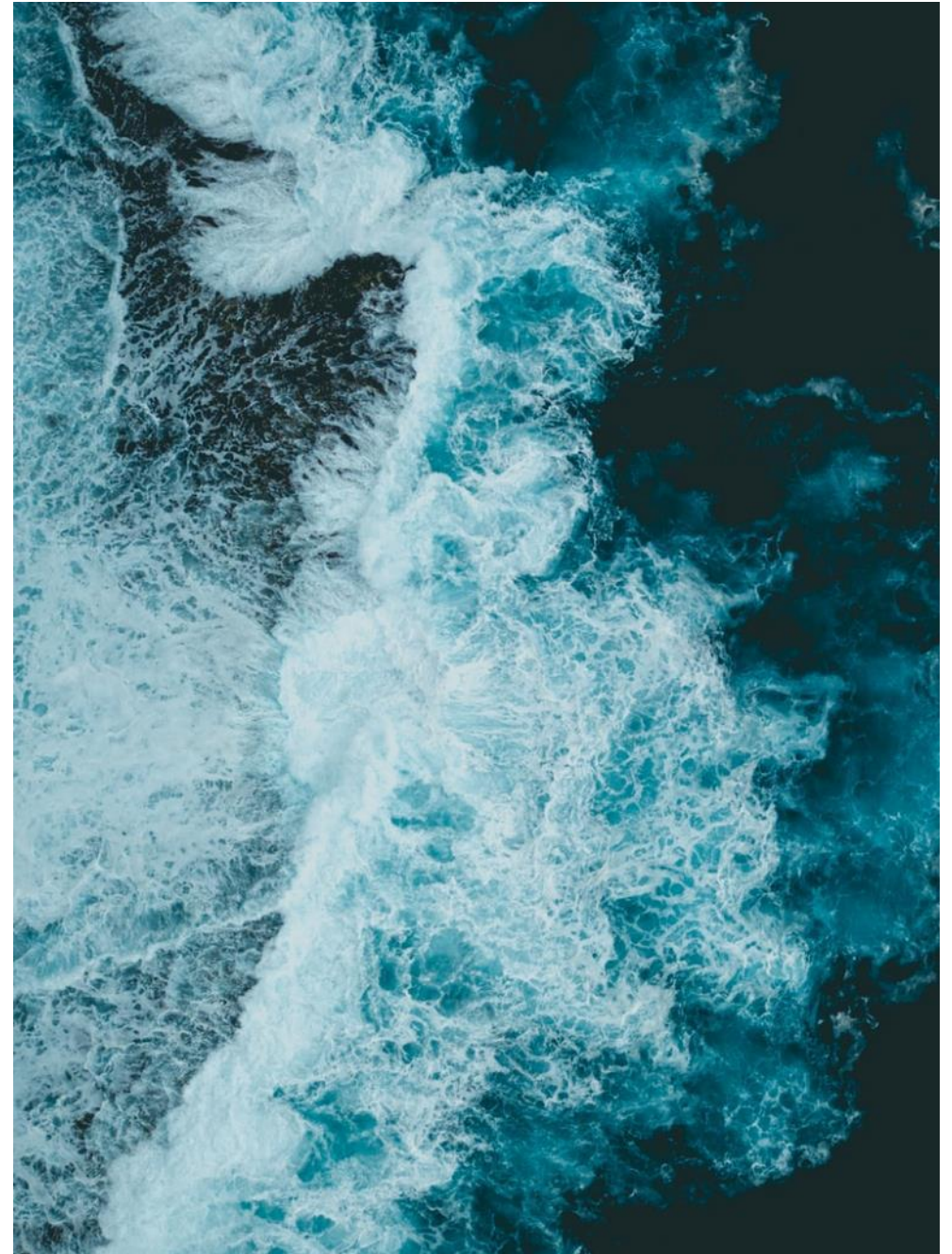


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Launched in 2019, Pollination has a presence in 6 countries across the Americas, EMEA, Asia and Oceania.

○ We bring together world leaders in finance, investment, technology, law and policy, to connect the dots and see around corners. We are solely focused on delivering sustainable solutions.

Working in partnership with our clients, we will – with imagination and courage – lead the transition to a net zero, nature positive and resilient future.



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