

Call to Action Statement by Non-State Actors

Five Priorities for Strengthening the Enabling Environment for High-Integrity Carbon Markets

In light of economic uncertainty, geopolitical tensions, and slowing climate ambition, we remain committed to supporting high-integrity carbon markets, and welcome dialogue with policymakers. To restore momentum and scale decarbonisation, we urge policymakers to address the following five priorities in developing guidance, enabling policy and regulations on carbon markets that deliver high environmental, financial and social integrity:

1. Voluntary Corporate Action Can Complement Article 6

While host countries have the option to authorise mitigation outcomes for voluntary corporate use, this is not always required. Voluntary corporate action, based on credible claims can serve a vital role financing climate action towards Nationally Determined Contributions, as a complement to countries' use of Article 6. Host country guidance should recognise the role of voluntary corporate action and identify priority sectors for investment, while demand-side guidance for companies should enable transparent disclosures and credible claims.

2. Both Reductions and Removals Are Critical

Guidance should recognise the important role of both emissions reductions (e.g. reduced deforestation, methane abatement) and emissions removals (e.g. afforestation, direct air capture). Reductions not made today will increase our need for removals later. Appropriate recognition will help to scale finance and technology across the full mitigation spectrum, for which incentives are needed to maximise near- and long-term climate solutions. The integrity of the carbon credit and its appropriate use matter most.

3. Technology and Nature-Based Solutions Must Both Play a Role

Technology and nature-based solutions serve complementary roles and must both be supported. Nature-based solutions, backed by strong monitoring and compensation mechanisms to ensure that risks of non-permanence are addressed, are available now at scale and at affordable prices. These are vital while our ability to scale technology-based solutions grows. The transition to net zero requires investment at scale into both domains. Guidance should ensure that both types of carbon credits are high-quality and integrated into corporate climate strategies.

4. Strengthen Government Leadership

- a. **Deploy government-led demand and catalysts:** Governments can play a more proactive role through public procurement and offtake mechanisms, especially for first-of-a-kind (FOAK) and transition-related projects aligned with multilateral standards established under Paris Agreement, as well as internationally recognised standards and meta-standards that are aligned with the principles of Article 6 of the Paris Agreement. Such efforts can reduce risks and harmonise carbon markets around a common understanding of high-quality carbon credits.
- b. **Empower host countries:** The responsible use of carbon markets require alignment with host countries' NDCs and long-term low-emissions strategies to enhance credibility and policy coherence. Transparency around adjusted and non-adjusted credits is essential, with costs of providing a corresponding adjustment acknowledged, as well as those that meet just transition standards or deliver co-benefits to local communities. Equitable benefit-sharing, community safeguards, and inclusive development must be embedded within policies. Capacity building needs must be recognised and resourced in order to drive lasting climate and social outcomes.

5. Strengthen Market Integrity, Claims Credibility, and Transparency

Transparent and interoperable market structures are essential to enable high-integrity carbon markets. Policymakers can support credible standards, claims codes, and disclosure requirements that enable companies to confidently use high-quality credits. Consistent rules for MRV, registries, and data taxonomy and access — alongside innovations like carbon ratings agencies — can lower costs, build trust and improve price discovery.

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