Keynote: Coalition to Grow Carbon Markets Policy Playbook Launch

Remarks by Mary L. Schapiro, Vice Chair of the Glasgow Financial Alliance for Net Zero (GFANZ)

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Good morning and thank you to the Coalition to Grow Carbon Markets for bringing us together for the launch of the Policy Playbook.

High-integrity carbon credit markets can play an important role to finance projects that reduce and remove emissions – from protecting and restoring nature, to catalyzing climate technologies, to supporting the transition away from high-emitting activities. These markets can benefit advanced, emerging, and developing economies alike.

As a former regulator, I have seen that markets successfully scale when participants have clear rules, reliable information, and confidence in the integrity of the underlying assets. While voluntary private-sector action helps to establish viable market practices, it's ultimately policy that is needed to underpin scale, interoperability, and trust.

That's why GFANZ, as a technical partner to the Coalition, has been proud to support this important work.

The value of the Playbook is in providing a practical framework: eight policy levers that Coalition governments have identified to help create better-functioning and more trusted markets.

One set of levers outlined in the Playbook are focused on providing clearer corporate incentives to make credit purchases, which would support greater clarity on what governments consider an appropriate use of carbon credits within climate strategies.

Such a signal is important for empowering companies to make credible, substantiated claims about their use of credits.

These levers also address how governments can sharpen the business case for using carbon credits - including by considering integration of high-integrity credits into domestic carbon pricing schemes, a tool that many Coalition governments already employ.

Together, these levers respond to what we've heard consistently from businesses: a need for clarity on what's expected around their use of credits to make their cost-benefit analysis stack up.

Another set of levers highlighted in the Playbook are focused on building confidence in credit integrity and fungibility. Buyers should not have to navigate a fragmented landscape with competing definitions of credit quality. Greater recognition of credible international frameworks - specifically, PACM, ICVCM, and CORSIA - will help create a more interoperable and trusted global market.

Furthermore, the Playbook can help governments support voluntary corporate credit buyers by providing greater clarity on how their purchases intersect with Article 6 of the Paris Agreement. This includes clarifying, as a default position, that corresponding adjustments are *not* required for credits purchased for voluntary use, while clearly articulating the narrow set of circumstances when they *are* required.

Finally, the Playbook sets out foundational aspects for an effective market. This includes the market infrastructure needed to underpin scale, from well-designed registries to standardized data and unique identifiers that allow credits to be tracked reliably through their lifecycle. This also includes the legal and regulatory foundations that mature markets require: clarity over ownership rights, property law, financial regulation, and accounting treatment.

Let me close with two reflections.

First, it's significant that the fourteen governments in the Coalition have come together to agree on the importance of these policy levers. Carbon markets will be most impactful when they are truly global. Greater consistency between jurisdictions will reduce fragmentation, lower transaction costs, and give companies greater confidence to participate in these markets.

Second, as with many other areas of climate finance, the work must now move from principles to implementation. GFANZ looks forward to continuing to support the Coalition as it develops more detailed technical guidance and, most importantly, as governments increasingly put these approaches into practice.

Ultimately our measure of success will be better policy that helps to get investment flowing to real projects that deliver real emissions reductions and removals in the places that need it most.

Thank you.