Slaughter and May Podcast
Shifting the Overton Window: Enhancing Voluntary Carbon Market Integrity: Part 1 and 2

Aaron Wu	Welcome to our podcast on the voluntary carbon market. I'm your co-host Aaron Wu, Senior Professional Support Lawyer in Slaughter and May's Infrastructure, Energy, and Natural Resources Hub. I'm joined by Samay Shah, who's a Partner in our Hub, and also co-lead of our Carbon Markets Working Group. Our guest today is Amy Merrill, Chief Executive Officer of the Integrity Council for the Voluntary Carbon Market - otherwise known by its abbreviated title, 'the ICVCM'. Amy's joining us today for this special two-part episode.
Samay Shah	Thanks very much Aaron. I am delighted to have Amy with us today. In this episode, we are going to discuss what's driving the interest in the voluntary carbon market, the opportunities that the market presents, and the areas of convergence between voluntary and compliance markets. We'll also hopefully speak about some of the controversies that have plagued the voluntary carbon market to date. After that, we are going to see how ICVCM, in particular, is building consensus in minimum global thresholds in order to strengthen the voluntary carbon market (or I should say here VCM, for short). We'll also hear some updates about the ICVCM's work. So, let's get started. Hi Amy, and welcome to the podcast. Thanks so much for joining us.
Amy Merrill	Hi, and thanks very much for the invite to join you. I'm really happy to be here today.
Samay Shah	I was hoping to start off with your really fascinating background. So, you've been working at the centre of carbon markets, in various capacities, for many years now. Can you share a bit about how you got involved in the first place in carbon and climate change issues, and the areas you're involved in at the moment?
Amy Merrill	Yeah, sure, I – you know - carbon markets are just a really interesting place to work because they offer a unique opportunity to use private finance to achieve sustainable development for communities - like small holders in the global south - who otherwise have no access to finance for development, and at the same time they help deliver greenhouse gas reductions that would not otherwise happen. So, you know, for me they have always been a really abiding passion. I got into carbon markets as an environment and European Union lawyer when I was in private practise in the city of London, and I worked on Kyoto Protocol issues and the Clean Development Mechanism and the EU emissions trading system. And I then became the senior lawyer for carbon

	markets at the UN Climate Change Secretariat in Germany, where I led the UN negotiations support for carbon markets as part of the Paris Agreement, and that is prosaically called Article 6 of the Paris Agreement. And so, after all the countries finally adopted the Article 6 implementing rules of the Glasgow COP in 2021, I left the UN and returned to implementation and focussed on nature-based projects and then on carbon incentives for the energy transition as part of the Centre for Climate and Energy Solutions. And then the opportunity to work with the integrity council came up. And now, as the CEO, I am leading the ICVCM work to deliver the global independent threshold for high integrity carbon markets through the ICVCM's core carbon principles.
Samay Shah	Amazing. Lots of deep and rich experience there. And it seems that there's certainly a level of interest and engagement in the VCM generally in recent times that we've not seen before. Even entities and companies operating in sectors that haven't traditionally participated in carbon markets to date are starting to signal their interest in the VCM. There are questions about why and when companies should participate in the VCM in various discussions we've been having with clients and stakeholders. So, for the benefit of any listeners who might be new to the topic, perhaps I could ask you to speak about why the VCM is important? And what opportunities might be present for companies transitioning to net zero?
Amy Merrill	Yeah sure, you know, we all know we are in a climate emergency and that means we need to find ways to incentivize as much action as possible to reduce greenhouse gas emissions and we need to enable and support people around the world in the poorest countries to get out of poverty and to help them adapt to the change in climate because the poorest communities are the least resilient to climate change. And so, we need tools to help companies choose to act on their emission so that they can play their part in the global decarbonisation journey. And, you know, generally, companies need to priorities cuts to their own greenhouse gas emissions and using renewable energy, changing their processes in their operations. But participating in high integrity voluntary carbon markets allows them to go further and to take responsibility for greenhouse gas emissions they cannot yet cut. So, voluntary carbon markets, the VCM, is an important complementary tool in corporate global action. And, you know, we know it is. Seven in ten companies say that taking part in the VCM allows them to take additional climate action they wouldn't otherwise take, six in ten say that buying high integrity carbon credits incentivizes further investment in decarbonisation, and, you know, the VCM until now - the challenge has been that it has been unable to reach its potential because it hasn't had a consistent, shared, and transparent standard to operate to, and organisations that issue carbon credits have used different approaches to measuring, and that's had - that's led to led to criticism particularly in relation to a few large projects so the ICVCM is there as an independent global threshold for higher integrity in these markets. And it's set new rules and

	operates transparently. And it will enable buyers to identify carbon credits that have been through the assessment process and passed it, and that will give buyers confidence in the quality of credits, and that will drive further investment. So, over time, we really hope that the CCP label will help make it easier to mobilise private capital at scale in - to get into projects to reduce and remove millions of tons of emissions that wouldn’t otherwise be viable and help companies to really decarbonise across the developed world.
Aaron Wu	I’m also curious to ask: in broad terms, how have you seen carbon markets evolve over the last 20 years that you’ve been involved in them? And following from this, and shifting back to the present, can you explain to our audience what some of the concerns facing the carbon market is at the moment?
Samay Shah	That’s a big question Aaron.
Amy Merrill	So, here is the history. The international carbon markets took off with the introduction of the Clean Development Mechanism, the Kyoto Protocol, in 1997, where developed countries under the UN Climate Convention took on binding obligations to reduce emissions by a set amount, and developing countries didn’t because they were not responsible for the climate change that we were facing back then. And the Clean Development Mechanism allowed developed countries to meet their targets flexibly using emissions reduction achieved in developing countries and transferred to them through the Kyoto Protocol system. And, basically, this incentivised developing country project developers to develop projects that reduced emissions against a baseline, and this was – this behaviour - was credited with carbon credits because it wasn’t required to be done in that country, so it was additional climate action. And so, the CDM - as it became known - was widely successful because it incentivised many developing countries to implement emission-reducing projects through private finance. And the main buyers for CDM carbon credits were EU companies that had emission caps under the Emissions Trading System in the EU because they were allowed to use those credits to comply to contain the cost of compliance. But at the end of 20 2012, the economic conditions in the EU and some concerns around the incentives in the CDM led the EU to exclude most CDM credits from being usable for compliance, and most of these credit prices fell from 20 euros to under a euro. And, at the same time, the voluntary carbon market was small but operating alongside the CDM and independent carbon crediting programs, which were issuing credits destined for corporate buyers, and that market was growing, and by then end of 2020 the prices in that market were higher than in the CDM.

	And, meanwhile, at a domestic level the CDM was starting to teach many countries how to create their own systems, and we started to see a broader uptake of carbon pricing models at domestic regulatory level. And, meanwhile, back in the UN in 20 2012 countries were turning their attention to the new agreement that became the Paris Agreement. And it was really different from Kyoto in that all countries were acting on their emissions and all of them committing to action under nationally determined contributions. Now, under the Paris Agreement, Article 6 is the bit that includes cooperation between countries, and then negotiations settled on two carbon related instruments, one called "Cooperative Approaches" which is an accounting system that involves reporting and accounting framework around transfer emissions between two countries based on an accountability system for each country that is independent. And then the other system is a mechanism that basically replaces the green development mechanism and essentially approves projects and issues credits against baselines. So, while those rules were adopted in 2021 at the Glasgow COP, those systems are still in setup mode, but we will get to that later - I'm sure. But outside of country negotiations of course and, you know, in the UK you will know this from your experience of hosting the COP in 2021, the urgency of action at all levels is becoming completely apparent to everybody and the taskforce for scaling voluntary carbon markets led by Mark Carney delivered its report around the role that voluntary carbon markets could play and the carbon finance, the mitigation, and scaling up of mitigation action. And, you know, Aaron, to your question about what we're doing about the con - addressing the concerns in the market, the ICVCM's goal is a high integrity global benchmark so that everybody knows what a good quality credit is and what encourages confidence in the market and enables buyers to come back into it. In the past, the voluntary carbon market hasn't been able to reach its full potential because of the lack in consistency and transparency in the quality of credits, and the assessment and labelling system under the ICVCM will help demonstrate which credits meet the robust criteria that were adopted in 2023.
Samay Shah	So, you mentioned Article 6 of the Paris Agreement earlier and I think it would be remised not to ask you about that given that we have COP 29 coming up later this year. We're seeing a lot of interest from various stakeholders on what decisions we might see in relation to the Article 6 mechanisms at COP this year, not least given the lack of decisions at COP 28 last year. And I'd be keen to hear your views on what you think the key issues are, how the negotiations are progressing, and where we might end up, particularly given that you were the lawyer responsible for drafting Article 6 at the Paris COP, back in 2015.
Amy Merrill	I mean attention is always: all eyes onto countries at every COP. And I think, you know, that one of the things that is really important to understand is that

	UN climate negotiations operate by consensus. So, that means that every country has to agree, every single bas- country basically has a veto. And so, it is really, really hard to get a complicated set of rules done, and that's why it took to long at the outset for Article 6 after the Paris Agreement, and that's why it's difficult every time. And I think, you know, at a philosophical level, it's really important to understand that Article 6 rules in Glasgow balanced out different world views – one where regulatory systems should be designed to trust, and enable, and refine over time, and ones where the system should control, approve, check, and enforce. And then there's the perspective of what other countries can trust each other to do things well or they assume that the opposite and the other countries will seek to do the minimum. And so all of those negotiation positions that we see in any given negotiation around Article 6 tend to come down to those different perspectives on how to design rules. And so, in COP 2008 in Dubai, the issues that caused challenges for - around authorisation and which triggers an accounting requirement for countries and the way that registry should function amongst other things - things also like the role of removals and the place for them in the frameworks came up. These are quite technical issues, you know, and from a personal level I care very much about these systems, and I am really hoping that the countries can collectively find the nuanced understandings that help them maintain the Glasgow deal and find ways of reconciling different ideas of how to implement at a very technical level. And, you know, in the ICVCM, we are really attentive to those rules because we assume in those discussion that we will always need to meet or exceed those emerging rules, and that we are all involved in a mutually reinforcing effort to scale high integrity carbon markets that can channel climate finance.
Aaron Wu	We are conscious that the VCM has faced a lot of pressure over the last 18 months in particular. But thanks to the efforts of you and your team, the ICVCM's work is gradually bolstering supplier-side confidence in the market. Now, aside from this work, which we'll talk about in more depth later, where do you see the major gaps that we need to fill? Particularly, to get to the scale of investment in removals and reductions that we need to achieve global climate targets?
Amy Merrill	Yeah, we have a lot of work to do the first major task as you say, is to continue to bolster confidence in the quality of carbon credits and encourage buyers to use the CCP label to help them make purchase decisions with more confidence. And that will scale investment into this important climate tool. And the next major task is really a sort of rewiring for the market. We need to strengthen the infrastructure and the systems that are being used today and transform them to enable a scalable and liquid market; includes a lot of technical work around standardisation, registry and probability, exchanges, and general standardisation of best practise across the market towards high transparency in trading and to, you know, really mature ways of

	trading and transaction carbon credits. And we've seen for example proposed guidance from for example the CFTC in the US, pointing to this need to develop the trading environment for carbon markets towards a mature and sophisticated market. And, you know, at the same time, carbon crediting needs, and the carbon markets generally need to centralise further environmental and social safeguards, and we need to all stop treating them as co-benefits and a "nice-to-have". The centrality of human rights, the rights of indigenous peoples, environmental impact management, and risk mitigation, these are holistic, proper, and central to the carbon markets, and it is central to a market in which all stakeholders have deep trust and confidence. And that is still a work in progress. So, we just, you know, if we can get those in place then we also need to make sure that we have a clear investment signal for corporates, and they need the right economic incentives and the right political signals to be able to determine at the C-suite level that action on their greenhouse gas emissions is necessary and urgent. And we need to make it much easier for them to act than it is to not act. And, you know, at the moment it is often easier for a company to do nothing than to take steps to reduce their emissions - because of the reputation risk and the way in which regulation and voluntary action can misalign. You can end up in this incomprehensible outcome knowing what we know now about climate change, in action, should be indefensible. And so, for that action to happen we also need regulators to incentivise and frame how carbon markets can be used as a tool by companies as part of their decarbonisation pathway, and we need to encourage corporates to go beyond mandatory rules and take responsibility for all of their greenhouse gas emissions and to look beyond that to – to further action.
Samay Shah	Yeah, as you say, international consensus is very, very difficult if not impossible to achieve in most areas, but I am hoping this area is one where there is sufficient incentives for everyone to try and reach some sort of consensus - some sort of deal. So, thanks very much, Amy. That brings us to the end of this episode: which is the first of a two-part series on the voluntary carbon market. Please do join us all for our next episode, during which Amy will speak to us about the ICVCM's role in scaling up high-integrity carbon markets. Thanks very much.
Samay Shah	Welcome back everyone to part two of our podcast on voluntary carbon market, we are joined again by our guest Amy Merill, Chief Executive Officer of the Integrity Council for the Voluntary Carbon Market. Thanks again for joining us, Amy. So, in the last episode, we spoke about the issue of carbon credit quality and mentioned a few times this word 'integrity'. This is something we're

	consciously talking about in various conversations in and around the Voluntary Carbon Market. So, I thought we could start by talking about how we should focus on assessing and differentiating the quality of carbon credits. I think generally people understand that carbon credits aren't all the same, and that there's a spectrum when it comes to differentiating what – which carbon credits are high quality, and which are perhaps less high quality. What do you see as some of the major principles that determine quality?
Amy Merrill	Thanks, Samay, and it's nice to be back with you again to talk more about high integrity carbon markets. Under the ICVCM, we have ten core carbon principles, and we use those to explain what we mean by high integrity in carbon markets. We have, for example, a set of core carbon principles that relate to the governance of the crediting programs that issue carbon credits, and we look to ensure that they have robust and effective governance systems like an independent board, we look at how they tare transparent with the work that they do and how the public can scrutinize information, and rules, and decisions, we look at the way that they track carbon credits and operate robust and secure registries, and we look to ensure that all of their processes go through robust third-party validation and verification, and we look at those four governance principles as delivering the kind of governance type integrity. We also then look at the emissions impact as a form of integrity, and we have four core carbon principles that relate to the integrity of the way in which carbon credits are generated. So, they must be additional, that means they must be generated under a system where they wouldn't otherwise have been required or happened anyway because of financial incentives or the regulatory environment. They must also be permanent and deal with reversal risk and so we particularly look at those issues in the context of nature-based projects, where the management of the reversal risk is a key integrity aspect. They also have to be robustly quantified. You have to make sure that they are conservative in the way that the baselines are set and that uncertainties are taken into account and things like leakage are considered. We also make sure to our principal on avoiding double counting that the way in which carbon credits and operating within projects is well understood such that you don't get for example two credits being issued in respect of the same action. What's really interesting about the ICVCM as well is the importance of our last two core carbon principles and that really changed the game for what integrity is in the voluntary carbon market around social and broader integrity. We have a principle around the social and environmental safeguards and sustainable development benefits, and this includes mainstreaming the

	fundamental principles such as free, prior, informed consent for indigenous peoples, assessing human rights issues, and managing and mitigating risks, and at the broader level around environmental resource risk mitigation and management. We also require that new projects positive sustainable development impact. As well as that we have a principle around the transition to net zero and the contribution of the project to the transition of the broader economy in the country. And so, for example, you can have projects that locally they have a good impact but in the long-term scheme of the country's transition to the net zero economy they don't have a role to play and those projects wouldn't be under methodologies that could get a CCP label. So, those ten core carbon principles really drive our vision of what is behind the integrity carbon credit in the market.
Aaron Wu	Conscious that there's now a few different bodies and stakeholder groups working on clarifying rules on the appropriate use of carbon credits (like the VCMI – the Voluntary Carbon Markets Initiative, the SBTi – the Science Based Targets initiative, and the UN High Level Expert Group on Net Zero Emissions Commitments, as well as IETA – the International Emissions Trading Association). But few, if any, institutions are attempting to set global thresholds on the supply-side. Why do you think that is? And how does the ICVCM interact, or work, with bodies setting thresholds on the demand side?
Amy Merrill	The ICVCM is providing that supply side integrity assurance and hindsight is a wonderful thing. With hindsight it seems incredible that the voluntary carbon market didn't have a standard for an independent standard for supply side integrity. And yet, in the past of course the voluntary carbon market has been small, focussed on sustainable development, and focussed on individual buyers with interest in buying from particular projects. And it has moved a lot from those days, and so now we have an ecosystem to support companies in their decarbonisation journey and as you say, you know, on the demand side as well. And so, why that is - maybe it's a quirk of history - but the ICVCM is now helping bring the market together in a broad tent of collective stakeholder engagement around what high quality looks like to a really, really consultative process with everybody who is interested in participating. And, you know, we had a huge consultation process in 2022 and we continued to have very, very broad engagement in our current work programs. To bring those senses of what is high quality together and those perspectives together to discuss what the next level of 'good' looks like. One of the things we are doing right now, is working really closely with some of the organisations you mentioned in - in creating a coherent ecosystem for all the actors in - in the corporate carbonisation pathway. We're really trying to be clear and help companies understand where to find the guidance for the relevant stage of their climate action journey. So, for example, our sister organisation, the Voluntary Carbon Markets Integrity Initiative, is setting

	standards to ensure integrity in the use of carbon credits and its claims code of practice guides companies on how to use credits to make responsible claims around their progress towards net zero commitments. And this includes the requirement to buy credits which meets this - meet the CCP quality threshold, you know. Other actors in the corporate space include the Greenhouse Gas Protocol who provide guidance for business on how to measure and account, and SPTi, who provide methods to establish scientific baselines for emission reduction pathways. And we work with other actors in the market, carbon disclosure project, who provide the global environment disclosure platform and with organisations like IETA, who is a founder / partner of the ICVCM, and the “we mean business”- coalition who - who have that broader engagement with of corporates on their - on the decarbonization journey, so we really are now trying to create a coherent ecosystem for corporates around voluntary and global decarbonisation action.
Samay Shah	It’s fair to say, Amy, that the ICVCM’s work is being extremely well received by the industry, for all of the reasons you’ve just given. You’ve received some incredible endorsements in the last few weeks from the likes of Mark Carney and Janet Yellen (who was speaking on behalf of the US Treasury and the Biden Administration). And in addition to the US government, the UK government and Singapore’s Monetary Authority have also publicly committed to integrating the CCPs, the Core Carbon Principles, into their domestic regimes. How are these governments and regulators trying to actually integrate the principles into their domestic laws, and where in particular are they focusing their attentions?
Amy Merrill	It’s a really great question because it’s a really interesting environment at the moment in the way that regulation is looking at how to incentivize action in the voluntary carbon markets space. So, if you think about the life cycle of a carbon credit, a carbon credit is issued in the independent market by an independent carbon crediting program, and then it’s used in, and it transacts through a registry system and maybe through - its – it may be traded in an exchange and then it’s used by corporate for their net zero decarbonisation journey. But what were really seeing is that supply side governments, who want to incentivize the development of projects in their country, are turning to the Core Carbon Principles as the independent benchmark for how, you know, what they should be asking projects to mean, if they can approve them and then endorse them. And so, that’s a really interesting conversation with those regulators to help them understand that their frameworks can leverage the CCPs. There’s also, you know, market integrity and we’re seeing more regulators look to ensure that high integrity is in place across the transaction lifecycle of a carbon credit. So, I, you know, have heard in the last podcast that the

	CFTC and their consultation process around what the due diligence requirements should be, and their reference to the – to the ICVCM. And there's, as you rightly note, the sort of - the 'use' case scenario has been by corporates and in the wider uptake of the market has been really interesting with the huge US government multi-agency announcement around voluntary carbon markets including reference to the ICVCM. And just generally we are seeing that, you know, governments are also trying to incorporate independent supply into compliance systems at domestic level. And that and that's a really interesting bringing together of what have traditionally separate markets because of the understanding that when done well, the independent voluntary market can bring that supply to compliance programs and countries are engaging with us to understand how they can use the CCPs as a reference point for what credits to enable to be used for example for carbon taxes or for in, you know voluntary action by corporates in their country. So, we are really seeing across the lifecycle interest in high integrity principles for carbon credits.
Aaron Wu	I thought you may be able to explain to our listeners what the key stages are in the ICVCM's assessment process. Who submits applications, and who assesses them?
Amy Merrill	Sure, we have what we have tried to communicate as a double tick process just to try to make it make sense to normal people who are not day to day in the in the carbon credit world. So, we have a two-tick process. The ICVCM supervises and provides assurance over programs generally not-for-profit organisations that design and implement systems to issue carbon credits. And those programs submit their application to the ICVCM to be assessed against our core carbon principles and our assessment framework and see if they are considered by our assessment process to be robust enough to pass and be CCP eligible programs. And that's a really - fairly rigorous test against a very broad set of rules around robust governance transparency tracking and verification processes. When they pass, the methodologies that they operate are assessed for compliance against our emissions impact and sustainable development Core Carbon Principles. And so, that's a methodology by methodology, we call them categories, which looks at the - each of the systems they use to credit carbon credits in the market and decide if those are robust against our rules. And if those methodologies pass, they become approved, and the carbon credits issued by the program in respect to those methodologies get labelled with the CCP label credit. And its that label the enables the market to identify this - that the credit has been through our rigorous assessment process and seen through independent eyes, and it enables comparability across the

	market so that you can see the different programs using different methodologies have nonetheless met a comparable set of standards. And so, it's really a double tick process. And what's really interesting about it is that is incorporates all the stakeholders in the market because the assessment process is largely focusses on multi-stakeholder assessment meetings where from across the market experts in that particular methodology come together to discuss that methodology and decide whether it meets our rules.
Aaron Wu	For methodologies that receive the CCP label, I - I suspect some will exceed the minimum thresholds by more than others. Can you explain the approach that the ICVCM is taking to determining how and where to set those thresholds?
Amy Merrill	So, our assessment framework has a number of requirements, and I was just talking about the multi-stakeholder engagement in this process and really that is how we determine to - how to process the assessments that we're dealing with. These experts sit together, they discuss the key issues that are usually known to be the challenging area for that methodology, they use literature, they use individual expertise, and they come from different perspectives. We have academics who have different academic emissions accounting. We have practitioners who know what it's like to develop and implement projects in the real world. And we're also committed to due process, right? So, where a carbon crediting program whose methodology has been assessed doesn't agree with the likely assessment outcome, they have the right to a hearing and to provide further information and that feeds into the final assessment. And so that makes for a very technical set of discussions, and, you know, we try to help those - to convey those outcomes to the market in the form of informal observations when that's useful separately from the formal decisions that get taken from those – on those assessment outcomes that are taken by our governing board.
Aaron Wu	And is there a temporal element to all of this? So, is it correct for us to assume that thresholds that are acceptable today might not reflect the best available science in the future? If so, what do you imagine is the best way of dealing with these shifting goalposts?
Amy Merrill	Absolutely, you know, everyone's experience in the market is evolving all the time. And our governing board were really conscious of that when they adopted the first version of the assessment framework last July. And they set up a series of work programs, currently ten, that address those – those areas where we know best practice and the available information is evolving fast, and those - thought leadership, continuous improvement, work programs - bring together experts, practitioners, programs, not-for-profit organisations to discuss what the next level of 'good' should look like. And that will help feed

	into the broader understanding in the market of best practise in the form of published reports, and it will also help us to identify what should the next version of the assessment framework require. And, you know, that's - that's a really important exercise that the governing board launched in, you know, in that - in that vein of continually helping and collectively bringing the market upwards in terms of its integrity.
Samay Shah	Perhaps now we could turn to the ICVCM's progress on its various assessments. So, I've seen that you have been making some announcements about CCP-compliant credits, on a rolling basis. Would you be able to talk to us about some of the programs and methodologies that the ICVCM has already approved? And also explain why these assessments, in particular, were completed ahead of others in the pipeline if that means anything?
Amy Merrill	I mean it's a massive exercise, right? We're assessing most of the carbon crediting programs in the market that are operating independently, and most of the methodologies that are operating in the market. And some of those methodologies are a bit more straightforward than others. And where they were sorted by a stakeholder group into being fairly straightforward, they got tracked into what's called into an internal assessment and that was generally expected to be faster and some of the decisions have come through quicker. But, you know, we are just processing assessments are they're ready and as they are completed, and decisions are being taken in the order they are ready. And so, what that means is that we have – we've had a batch of decisions already and more will come over time. We've approved five of the carbon crediting programs with substantial changes in some cases to their rules and operations, and the rest remain under assessment, and we expect to get through those in the next few months. And then by the end of the year we are really hoping that all of the methodologies that were submitted to us for assessment, we will have gone through, and a decision will have been made for those. And, you know, one of the things that we're really learning that is that you cannot shortcut integrity, you've just got to sit and have the conversations that are necessary in stakeholder groups to - and expert groups to make sure that we are considering the relevant issues and so the decisions take as long as they take.
Samay Shah	And no one should read anything into particular timing or speed of assessments? It is just going through the process?
Amy Merrill	That's right. And it's one of those challenging moments where you know the market we understand is waiting for these decisions, is looking forward to decisions coming out so that they have clarity, and there is absolutely no importance to the order in which they come out. And one of the things that is

	also important to understand is to understand, you know, particular similar groups of methodologies - a decision on one methodology doesn't mean anything for the other similar methodologies in a group.
Aaron Wu	So, can you tell us how many methodologies are under active assessment at the moment?
Amy Merrill	I mean we have more than a hundred methodologies to assess. I think we have issued decisions on seven. There is a very large cluster that have gone through a multi-stakeholder process already. We've had three of these big working groups covering three big sectoral areas. The next groups all have started or are staring after the summer or, you know. So, many if not most methodologies are now in the pipeline with smaller methodologies ready - ready to join that pipeline just as soon as we have the capacity to - to start processing them.
Samay Shah	And approval of programs and methodologies should in theory have impact in the price of the relevant credits generated. So, approved programs methodologies - credits from those should have a higher price relative to those that haven't been approved. To what extent are we seeing that already being reflected in market prices?
Amy Merrill	So, we won't speculate on prices and how they might be impacted by - by the CCP label credits because that's - that's not right for us as a as a regulator operating in the market. But what we do know is that will with interest from buyers to have the CCP label credits out there and available to them, and we do expect that you know there will be increasing interest in growing the market of credits that have approval, and so we'll see methodologies being revised towards, you know, meeting the requirements, and we'll start to see projects being designed with those requirements in mind. You know, so, as soon as the investments signal from that stabilizes, the whole market will be benefiting from that - from that coherent view of what a high integrity credit looks like. We know that marketplaces and exchanges and platforms are ready to start bundling and trading CCP labelled credits. And so, we really do expect to see that help to provide a price signal over time.
Aaron Wu	So, it seems we're already seeing the ICVCM's work shifting the Overton Window. So, in other words, it's expanding the range of acceptable ideas within the VCM, and climate change mitigation policies, more generally, toward more impactful climate outcomes. But I'm conscious that, with this influence, comes great responsibility. So, in light of this, where do you imagine the ICVCM might focus its attentions over the next year?

Amy Merrill	It's been a very busy year and it'll remain a very busy year for the ICVCM and all the stakeholders, who work so tirelessly with it. We will be completing the assessments and then move really firmly into oversight mode and assurance mode with, you know, spot checks, investigations where they're needed, and engagement in really making sure the rules are being adhered to. And then we will be focussing on that discussion around scaling a liquid and efficient market through one of our work programs on market scalability. And we're really looking forward to the very deep and complex discussions we expect to have in that big work program. And we'll be continuing to engage with stakeholders, including regulators and policy makers. And perhaps one of our highlights for the upcoming year is the launch of our engagement platform for indigenous peoples, where in response to the identified gap for a voice - for those voices - a place for those voices to convene, the engagement forum is being established as a self-led forum for - for indigenous leaders and representatives to build capacity around carbon markets and bring already mainstream discussion around the role of carbon markets in the development context.
Samay Shah	Thanks very much, Amy, we're very, very appreciative for all the time you have spent with us today in sharing all of your incredibly insightful perspectives on the voluntary carbon market, and it's been a pleasure to speak with you. Ultimately, I think it's fair to say that the voluntary carbon market will continue to have a critical and in - and enduring role as part of broader corporate decarbonisation plans and government policies policies for the foreseeable future. I think it's important though that in building this market we keep making meaningful progress. We can't afford to let the perfect be the enemy of the good. Clearly, these are the principles through which the ICVCM is leading efforts to strengthen the market, and we as a firm are very pleased to continue supporting you to achieve these goals. To all our listeners, we hope you enjoyed this episode, both part one and part two. Please do check out our articles and briefings on carbon markets as well as other energy transition topics on the Slaughter and May website. Thanks very much.