

INTERNATIONAL OFFSETS NEWSLETTER

SEPTEMBER 2020

Focus of the month: A Corporate Race to Pledge GHG Emission Reduction



HIGHLIGHTS

- Monthly International Carbon Offset Report - August
- Voluntary Market Updates
- EcoSecurities Highlights
- **Focus of the month:** A Corporate Race to Pledge GHG Emission Reduction

MONTHLY INTERNATIONAL CARBON OFFSET REPORT - AUGUST 2020

International CER Price Index

- Small transaction price per CER (USD): **2,31**
- Standard transaction price per CER (USD): **1,44**

*Source: EcoSecurities International Pricing Monthly Report

Carbon Registries Update

- **Credit Issuance**
Total Volume: 17 844 331
- **Credit Cancellation**
Total Volume: 6 856 357

HIGHLIGHTS: VOLUNTARY MARKET UPDATES

CARBON MARKETS NEWS

Global offset demand to outstrip supply by 2025

September 9, 2020 – Fitch ratings

Global carbon trading jumped to a record high of USD214 billion in 2019 as prices rose on current or expected tightening of regulation—an annual increase of more than a third. Demand for carbon offsets is likely to outstrip supply by 2025 as climate policies tighten, benefiting emerging markets (EM). Free trading of carbon offsets under a global scheme could cut costs of the Paris Agreement by up to 33% by 2030, or achieve a 50% increase in abatement for equivalent costs by directing mitigation towards the lowest-cost options.

Voluntary offset market targeted as digital firms deepen climate offerings

September 3, 2020 – Carbon Brief

The voluntary carbon market could be ripe for consolidation as demand to fulfill corporate climate strategies gathers pace and digital services grow in sophistication.

CARBON REGULATIONS

Business leaders back EU's draft 55% carbon target for 2030

September 15, 2020 – Euractiv

More than 150 business leaders and investors have urged EU countries to set higher climate goals for 2030, backing a draft European Commission plan to aim for a 55% reduction in greenhouse gas emissions by the end of the decade.

West African nations launch consultations for joint carbon pricing system

July 16, 2020 – Carbon Pulse

Eight West African countries took part last week in the first of a series of consultations to establish a subregional carbon pricing instrument, the coordinator of the West African Alliance said Tuesday.

CLIMATE CHANGE AND GHG EMISSIONS

Greenhouse gases hit new record despite lockdowns

September 15, 2020 – Reuters

Concentrations of greenhouse gases in the Earth's atmosphere hit a record high this year, a United Nations report showed on Wednesday, as an economic slowdown amid the coronavirus pandemic had little lasting effect. The sharp, but short, dip earlier this year represented only a blip in the build-up of climate-warming carbon dioxide, now at its highest level in 3 million years.

Learning from the contentious history of ‘carbon removal’

August 27, 2020 – Carbon Brief

Large-scale carbon dioxide removal (CDR), also referred to as “negative emissions”, is increasingly seen as a key component of climate change mitigation pathways that limit warming to 1.5C or 2C.



ECOSECURITIES HIGHLIGHTS

Last month, EcoSecurities joined the United Nations Global Compact initiative – a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.

EcoSecurities is proud to have joined thousands of other companies globally committed to taking responsible business action to create the world we all want.

The UN Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs).



FOCUS OF THE MONTH: A CORPORATE RACE TO PLEDGE GHG EMISSION REDUCTION

Pledges to net zero greenhouse gas emissions are quickly emerging as corporates follow the current rush of announcing significant climate commitments. Some examples of these pledges include: Amazon's target to be carbon neutral by 2040, Google, who is carbon-neutral since 2007, announcement to compensate for all of the carbon it has ever created, Microsoft's pledge to be carbon negative by 2030, etc.

The global supply chains of multinationals such as BP, Coca-Cola and Walmart have been found to account for nearly a fifth of GHG emissions worldwide, according to a new study published in the journal [Nature Climate Change](#). If corporations manage to achieve their climate pledges, it would significantly contribute to reach the goals set out in the Paris Agreements. But how can corporations, consumers and other stakeholders, be assured that these targets to zero-out emissions will have meaningful climate mitigation impacts?

Study: [Embodied carbon emissions in the supply chains of multinational enterprises](#)

WHAT'S NEW?

To support and frame this race to reduce and compensate companies' GHG emission, the Science Based Targets initiative (SBTi) has recently published a paper to outline the conceptual foundations for credible, science-based net-zero targets for the corporate sector. While the paper emphasizes on the importance of a wide-range of mitigation strategies, the SBTi has recognized the importance of carbon credits to contribute and enhance corporations' contribution to climate change mitigation outside of their value chain.

Paper: [Foundations for science-based net-zero target setting in the corporate sector](#)

WHAT'S NEXT?

Closely following the carbon markets trends, EcoSecurities has attentively monitored the continuous **flow of climate targets announcements** coming from major multinationals to understand how these pledges will impact the demand for voluntary offsets. An assessment of climate pledges from over 50 companies operating worldwide led to the following results:

Total yearly volume pledged (tCO2e)	255 292 990
Total Volume emitted in 2018 (tCO2e.)	359 446 343
Volume traded in 2016 (Ecosystem Market Place Report 2017)	64 700 000

89% of pledges included a commitment to become carbon neutral, implementing offsets as well as broader emissions reductions strategies. From our last [study](#) published in May on the Voluntary Carbon Market, the total estimated volume of voluntary offsets pledged by companies rose by 278%, reaching 255 292 990 tCO2e, a volume 4 times higher than the amount of carbon credits traded in 2016 in the voluntary carbon market. If companies actually commit to their pledges, the voluntary carbon market could experience a sharp increase in the demand of offsets from the corporate world, an event to which EcoSecurities is prepared to as it is reinventing itself for this new, exciting and booming phase of the voluntary carbon markets.

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EcoSecurities is a pioneer in carbon markets and greenhouse gas (GHG) mitigation projects worldwide. We are experts in sourcing, developing and financing projects with a positive environmental impact. Founded in 1997, EcoSecurities grew to become the largest and most influential company in this sector. Today, EcoSecurities is an Environmental finance boutique, with an international presence in 5 continents and a portfolio of more than 100 projects capable of generating carbon credits. EcoSecurities provides technical and financial services to projects, companies and governments. We bring access to environmental markets such as carbon markets, renewable energy certificates, plastic recycling credits, etc.

Some of the main solutions we may offer are:

- Services related to Carbon and climate corporate strategies (design and implementation of climate strategies, CDP, GRI related services)
- Carbon and plastic corporate footprints
- Carbon emission abatement plans and neutralisation plans
- Corporate compliance plans to local carbon pricing
- Project identification and financial and feasibility assessment
- Project Structuring and Project Finance studies
- Offset project development (new methodologies, project cycle activities, portfolio management)
- Project procurement (for buyers and users)
- Marketing of offsets (for sellers and project developers)
- support on structuring and negotiations; Structured transactions
- Trade finance solutions
- Climate finance and environmental finance regional studies
- Design and implementation of carbon pricing schemes
- Design and implementation of EPR and reverse logistics schemes
- Corporate strategic review in a carbon constrained world



CONTACT

- If you are a **carbon offset project developer** and is seeking technical or commercial support, or if you are a **corporation looking for carbon offset solutions**, please contact: carbonoffset@ecosecurities.com
- If you are a **corporation looking for consultancy and advisory on climate solutions**, please contact: corporatesolutions@ecosecurities.com
- If you are a **government, NGO or international agency looking knowledge and experts** in climate finance, carbon pricing, carbon markets, please contact: info@ecosecurities.com
- For individuals looking for **job opportunities, partnership opportunities or climate solutions**, please contact: workwithus@ecosecurities.com



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