

Work Plan

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1. Planning Context

1.1 Link to the Coalition's Terms of Reference

1. The work plan contributes to the Coalition's mandate based on the Scope and Objective defined in the Terms of Reference establishing the Open Coalition on Compliance Carbon Markets, as the foundation for:
 - International cooperation on compliance carbon markets.
 - Advancing mutual understanding of carbon pricing mechanisms and MRV.
 - Enhancing transparency in carbon accounting.
 - Promoting long-term interoperability across carbon market design elements and to strengthen overall effectiveness, while recognizing differences in market designs, levels of development and national circumstances.
 - Rules governing the potential use of high-integrity offsets, promoting environmental integrity and alignment with best practices in carbon accounting.
 - Exchange of experiences and technical cooperation and coherence with existing initiatives.

1.2 Planning period

1. Period covered for strategic objective and planning horizon: 2026-27, 2028-29, 2029-30
Period covered for detailed Work Plan: 2026-27.

1.3 Strategic objective

1. The proposed three-phased approach follows a clear progression:

Phase 1: Establish, map and align.

The Coalition establishes its governance, institutional, funding structures and work modalities, builds a **common understanding** of member systems and approaches. It delivers foundational technical outputs such as mapping of carbon market and accounting approaches and reference

frameworks in different national circumstances and contexts. Existing initiatives may also provide supplementary information. Phase 1 will facilitate exchange of experiences to **deepen collaboration** and identify opportunities for technical cooperation.

Phase 2: Develop tools, guidance and pilot cooperation.

The Coalition continues the discussions on the multiple design elements of different approaches and **start exploring options to promote systems effectiveness and interoperability**, where applicable, such as through guidance and transparency tools, flagship cooperation across members and structured dialogue.

Phase 3: Strengthen cooperation and actionable high-ambition platform.

The Coalition **advances the alignment of approaches** for long-term convergence to strengthen the overall effectiveness of compliance carbon markets as low carbon transition and growth tool. The Coalition has positioned itself as an open **high-ambition platform** for voluntary collaboration among Members, bridging political and technical scales and helping Members overcome practical barriers to compliance carbon markets.

1.4 Guiding Operating Principles

1. All shared principles, technical analyses, guidance materials and other deliverables developed under this work plan serve as information for mutual learning and technical exchange, and do not create legally binding obligations for Members. Each Member designs and implements its own systems and approaches in light of its respective national circumstances, development priorities and domestic capacities. The Coalition will advance shared understandings and explore options to promote for long-term enhanced alignment and interoperability. Such progress will be pursued voluntarily, taking into account what is practicable for each Member. This work plan does not impose uniform mandatory requirements or instructions on Members.

2. Work Plan Summary

2.1 Proposed Workstreams (WS):

Proposed Workstream	Responsible OCCCM Division
WS1. - Coalition set-up, secretariat and operations	Secretariat: Administrative Division
WS2. - Market design convergence and policy exchange WS3. - MRV, carbon accounting and interoperability readiness WS4. - High-integrity offset use in compliance systems and alignment with article 6 framework.	Secretariat: Technical Support Division
WS5. – Partnership and external engagement	Secretariat: External Coordination Division

3. Detailed Workstreams

3.1 Workstream 1. Coalition set-up, secretariat and operations

3.1.1 Objective

To establish a functioning, credible and long-lasting institutional structure for the Coalition.

3.1.2 Priority actions

1. Establish the Secretariat's virtual operating model, including document management, meeting scheduling, communication procedures / channel and focal contact point arrangements for Chair/Co-Chairs, Members and Observers.
2. Formalise and staff three Secretariat Divisions: (1) Administrative Division, (2) Technical Support Division, (3) External Coordination Division, including structure and responsibilities and division of responsibilities between Secretariat members and Coalition chairs and members.
3. Set up the technical Workstreams and arrange Working Groups meetings aligned with the Coalition's scope and work plan, ensuring administrative support for meetings, activity implementation (coordinated with external organisation where applicable), tracking and reporting.
4. Specify practical operation modalities of the Secretariat regarding formal processes for member and observer engagement, updates and commenting periods.
5. Develop a webpage, email account, information materials and events (e.g. Coalition briefs, event and statement for COP31).
6. Adopt proposed first annual work plan and governance calendar, including timeline and considerations of actions for the different phases. Specify how the workplan and work streams are addressed and implemented by the governance structure (e.g. high-level meetings, secretariat and thematic working groups).
7. Propose the work plan for the following years, taking into account existing priority actions as well as newly identified or collected ones, and ensuring alignment with the different phases, the governance calendar, and the timelines of the respective workstreams.
8. Prepare budget proposals for the post-2027 phase and submit to the Chair and Co-chairs for consideration and guidance, to be approved by members at the High-Level meetings of the Coalition.
9. Advance a process to secure long-term funding and supplementary financing opportunities, to maintain operational capacity and technical delivery for the post-2027 period.

3.2 Workstream 2: Promotion and joint understanding of effective carbon markets and carbon pricing instruments design and adoption

3.2.1 Objective

Exchange of experiences and technical cooperation to promote long-term convergence in key market design elements and to strengthen the overall effectiveness of compliance carbon markets.

3.2.2 Priority actions

1. Develop the Coalition as a Platform to champion carbon pricing, including its role and values, highlighting its impact on NDCs and their implementation, including during different transitions phases, and co-benefits. Output, may take into account existing efforts, and could include but is not limited to:
 - (a) Develop practical briefing material.
 - (b) Develop sectoral analysis notes on the potential of carbon pricing and key elements for success on the clean transition in specific sectors (support analysis with sectoral initiatives, where applicable).
 - (c) Organise policy dialogues and high-level meetings at key events to leverage the high-level engagement of the Coalition in bridging technical dialogue with political progress, including on guiding principles to enhance effectiveness and foster interoperability among diverse carbon pricing regimes across jurisdictions.
2. Support jurisdictions with existing carbon pricing policies in place to enhance the effectiveness of these policies and support jurisdictions which are currently developing their carbon pricing policies to make them effective by design.
 - (a) Identify the existing barriers that limit the positive impact of carbon pricing mechanisms.
 - (b) Identify best practices that could be mainstreamed (technical level), taking into account the different goals and context of the different jurisdictions (e.g. develop information to help jurisdictions determine which carbon pricing mechanism might be most effective for them, based on national circumstances).
 - (c) Exchange experience and views on how to address these issues and mainstream solutions (bridging technical and political level).
 - (d) Enhance the progress of carbon pricing uptake, such as for jurisdictions at earlier stages of the policy journey, by communicating the value of carbon pricing and facilitating learning and exchange from the Coalition (and its members and observers).
3. Advance technical cooperation on core design elements, shared principles, and areas for increased coherence towards interoperability factors.
 - (a) Prepare a comparative market design matrix on core design elements and trends (e.g. scope, allocation, auctioning, price containment, compliance cycles, penalties and oversight arrangements) across Coalition members and indicate underlying principles.
 - (b) Develop and advance shared principles that ensure cost-effectiveness in reducing greenhouse gas emissions, fairness, transparency, and environmental integrity of compliance carbon markets.
 - (c) Identify areas where market design coherence across systems could enhance effectiveness and long-term interoperability.
 - (d) Identify areas where tailored market design frameworks may be necessary to address national circumstances and specific challenges.

3.3 Workstream 3: MRV, carbon accounting and interoperability readiness

3.3.1 Objective

1. Advance possibilities of collaboration on Monitoring, Reporting, and Verification (MRV) systems, with a view to advancing mutual understanding, and exploring options to promoting long-term interoperability.
2. Advance possibilities of collaboration on Carbon accounting methodologies, including approaches that enhance transparency across systems with a view to interoperability of carbon markets in the long term.

3.3.2 Priority actions

1. Work towards the development of common principles for MRV concepts and carbon accounting approaches used across diverse systems.
 - (a) This should build upon robust frameworks from existing mechanisms and on work already underway by relevant initiatives, promoting greater coherence across the international carbon pricing landscape.
 - (b) The Secretariat and Members may jointly propose a shared working definition of the terminology *carbon accounting* and how they have implemented or wish to use it collectively going forward to enhance mutual understanding, building upon priority action 2.
2. Carry out joint research and collective shared understanding of MRV and carbon accounting used for compliance carbon markets with view to explore options for promoting inclusive long-term interoperability.
 - (a) Assess and map how Member's MRV systems are structured and interoperability could be promoted along key structural features (e.g. legal basis, sectoral and emission scopes and gases, frequency for the update of GWPs, classifications of sectors, installations, and products (if applicable), methodologies to determine emissions (estimation or measurement), reporting obligations, verification standards, accreditation arrangements, registries and compliance cycles, robustness) and carbon accounting for compliance carbon markets.
 - (b) Building upon (a) and existing technical work of members or relevant initiatives, indicate similarities and differences (convergence and divergence) of systems and approaches, highlight cross-cutting common principles and structural elements, highlight good practices and experiences from all members to facilitate comparison and to maximise the effectiveness and robustness of the systems.
 - (c) Identify principal barriers and approaches to enable interoperability factors and dimensions of interoperability readiness in view of options to promote such factors while at the same time ensuring full protection of national and commercial sensitive data of all members.
 - (d) Explore options to facilitate compliance, and how carbon accounting can be made translatable across borders, propose possible priority areas (i.e. such as to identify low hanging fruits for interoperability areas and to guide suggestions for subsequent work plan).
 - (e) If necessary, ensure that confidentiality concerns are properly addressed through data governance and confidentiality modalities such as data access frameworks and templates applying to the work of the Coalition, including technical research.
3. Organise joint technical sessions of workshops to advance priority actions and high-level dialogues on stocktake and closer inclusive cooperation.

3.4 Workstream 4: High integrity offset use in compliance systems and alignment with Article 6 Frameworks

3.4.1 Objective

1. Advance possibilities of collaboration on rules governing the potential use of high-integrity offsets, promoting environmental integrity and alignment with best practices in carbon accounting, in consideration of different national circumstances and capacities.

3.4.2 Priority actions

1. Consider criteria for positioning the Open Coalition as a forum for sharing best practices and advancing the use of high-quality offsets in compliance systems, based on other Priority Actions under this Workstream; assess options for networked actions such as Peer – Peer training programmes and exchanges; and take under consideration the landscape for high integrity carbon market initiatives and support frameworks.
2. Work towards the development of common principles for high integrity offsets, based on the best practices from Article 6.2 implementation and the work of PACM under Article 6.4 and building on governmental domestic mechanisms, independent private standards and international high integrity standards to facilitate further convergence towards high quality carbon credits.
 - (a) Aim to encourage use of high integrity standards progressively aligned with Article 6 mechanisms as indicated above.
 - (b) Map the possible technical barriers preventing the generation of high-quality carbon credits, in particular ITMOs generation regarding the development of sectoral methodologies, infrastructure requirements and capacity building and how to overcome them by facilitating dialogues based on key results.
 - (c) Assess whether suggestions can be made to consider an integrity and governance framework for future work of the Open Coalition. Ensure minimised overlap with non-compliance market initiatives and encourage coordination where adequate.
3. Take stock of the development of Article 6 mechanism, governmental domestic mechanisms, independent private standards and international high integrity standards and how to enhance such mechanisms to deliver high integrity carbon credits.
4. Advance high integrity accounting for carbon credit offsets.
 - (a) Mapping and identifying the best practices including promotion of success cases, if possible.
 - (b) Formulating technical briefings and dialogues, if possible.
5. Policy briefing and dialogue on best practices on integration of domestic offsets into domestic carbon pricing systems.

3.5 Workstream 5: Partnership coordination and external engagement

3.5.1 Objective

1. The Coalition should help advance the provision and coordination of technical assistance in response to requests from interested recipients and in cooperation with observers and relevant partners. The Coalition should also explore coordination and collaboration with relevant existing

initiatives and fora to maximise efficiency, technical quality and visibility, to strengthen coordination and joint work collaboration from support providers.

3.5.2 Priority actions

1. Build partnerships with Observers and promote coordinated cooperation with existing relevant initiatives. Encourage support providers to collaborate more effectively, reduce duplication and support standardisation.

(a) Mapping of relevant initiatives, joint interests and ambition.

(b) Outline options of cooperation, potential contributions to technical Workstreams or joint output (for priority actions or overall engagement).

(c) Formalise and implement cooperation and partnership where applicable.

2. Draft a structured engagement plan to ensure visibility of the Coalition, dissemination of output and coordination of event participation, including engagement with non-Coalition members which are interested in carbon pricing and market approaches.

3. Advance knowledge platform integration to increase the visibility of outputs from across initiatives and fora where relevant to the scope of the Coalition, including indicating where outputs serve policymakers or become integrated into high-ambition processes.

4. Maintain clear connection to multilateral cooperation, including in view of COP31 and beyond.