

CMI Briefing Note

COP31 Takeaways

November 2026

Carbon Market Institute

COP31 Takeaways – Week 1

It has been an action-packed week at COP31 in Antalya! Long queues, eternal commutes and the global Microsoft meltdown have shaped challenges for delegates, whilst negotiations start ramping up and a "Summary of Reflections Expressed by Parties" is shaping into a final Cover Decision. As President of Negotiations Chris Bowen reflected "nothing included is prejudged, locked in, or will necessarily be included in the final decision" but at this stage the text notably acknowledges the value of international cooperative approaches under Article 6.

CMI has been busy across events held at the Australia Pavilion including hosting the Ministerial Reception with the Clean Energy Council and Minister Bowen, and a panel session on driving climate and nature finance through markets with Matt Kean, CCA Chair, Paul McCartney, CEFC CEO and Suzanne Thompson, ERAC Member, ICIN Board member and YACHATDAC founder. CMI has been represented by Sasha Courville and Janet Hallows who have also been attending sessions and bilaterals at other Pavilions, following negotiations and engaging with government(s) and key stakeholders. Here are a few highlights across the first week from CMI's perspective:

Major announcements

- *China has decided against hosting the COP33 UN climate summit in 2028 leaving potential bid countries including Uzbekistan, South Korea, Indonesia and Thailand.*
- *China has signalled a formal commitment to support CORSIA this week as the country prepares to transition into the scheme's mandatory phase.*
- *The COP30 Presidency brought its new Roadmap for Transitioning Away from Fossil Fuels (TAFF) to COP31, focused on helping countries translate commitments from Dubai into national transition plans, and recognising that countries have different starting points. Finland and the UK launched their TAFFs, joining four other European countries.*
- *The COP31 Presidency's 35 by 35 Electrification Pledge has gained support from many countries, increasing their electricity share of final global energy use from around 20% today to 35% by 2035. The role of green, 'clean' electrification and energy efficiency are live topics in this context.*
- *Philanthropies have committed $85 million to Brazil's Tropical Forever Facility, including $15 million from Australian Andrew Forrest's Minderoo Foundation. Launched at COP30, the fund is expected to reach $10 bn in investments this year towards a total goal of $125bn to protect 10mn km2 of tropical forests globally.*
- *Australia announced its endorsement of the UK-led Statement on Drastically Reducing Methane Emissions in the Global Fossil Fuel Sector at the COP31 Leaders' Summit on 12 November. Methane has emerged as one of the more prominent areas of practical climate action at COP31 with the Global Methane Pledge attracting more country support and significant funding announcements made at the Leaders' Level Methane and Other Non-CO_2 Greenhouse Gases Summit.*

What people are talking about in the Pavilions

- *Australian coffee, of course! The soft diplomacy power of a barista brew should not be underestimated.*
- *The Coalition to Grow Carbon Markets is building momentum with the launch of their Policy Playbook and two new members (Egypt and Ireland) bringing the membership to 16 countries.*
- *As the world gears up on implementation of Article 6, there has been a significant growth in the number of pavilions actively promoting their engagement with carbon markets from last year in Belem.*

- *Private and Public sector efforts to build Nature Markets are growing, including discussions on pilot implementation of Finland's National Roadmap for Nature Credit Markets and the EC's Roadmap.*
- *Discussions on Adaptation continue to grow with building momentum on resilient cities, the role of insurance and the substantial gap on finance and delivery.*
- *Methane was a hot issue of discussion at many pavilions, particularly regional cooperative approaches, investment and the expanded opportunity for carbon markets.*
- *COP31 has been a great opportunity to showcase First Nations-led carbon projects as a driver of economic self-determination. The role of indigenous peoples in climate action was highlighted across the blue zone and was a notable focus of the Canadian Pavilion.*

Updates on Negotiations and Markets

- *Article 6.4 – PACM discussions have centred on the need for transparency and integrity but fundamentally, methods that are pragmatic and practicable. Parties met for informal consultations on the report of the PACM Supervisory Body and guidance for the Article 6.4 mechanism.*
- *On Article 6.2, negotiations have been largely around the technical expert review process. Concerns have been on funding needed to implement and oversee cooperative approaches.*
- *Canada is leaning into Article 6 as it moves to establish a framework that will support Canadian companies and projects to attract investment as a supplier of ITMOs.*
- *The Article 6 Network held a launch of a report on the State of the Article 6 Market outlining that 53 million tonnes of carbon have been transacted by governments via Article 6.2 and 6.4 arrangements.*
- *There has been a steady stream of Article 6 announcements. Côte d'Ivoire and Sweden signed an Article 6.2 agreement, and South Korea and Nepal set up an Article 6 partnership. Norway and Indonesia signed a deal to trade millions of credits under Article 6.2.*
- *Germany unveiled a new fund to finance Article 6 projects in exchange for future credits, and Uzbekistan transferred 7.78 million ITMOs from a methane project.*
- *In the aviation sector, ICAO added four standards to CORSIA Phase 2, with PACM approved conditionally.*
- *Brazil invited more Latin American and Caribbean countries to join the Open Coalition on Compliance Carbon Markets (OCCCM), which it championed at COP30 in Belém and now chairs. CMI has called on Australia to join this coalition & share its knowledge & experience in governing and regulating markets.*

What these developments mean for Australia

International carbon markets are moving from ambition to implementation – and Australia risks losing ground by waiting.

Article 6 has rapidly moved from rulemaking to market development, with countries progressing bilateral agreements, establishing authorisation frameworks and positioning themselves to attract investment, secure access to international markets and develop new commercial opportunities. Canada's approach illustrates how international carbon market participation is increasingly being viewed as a strategic economic tool – supporting industrial competitiveness, carbon removal industries, technology exports and international partnerships, rather than simply providing another mechanism for meeting national emissions targets.

Another example is the launch of the Singapore Carbon Markets for Development Integrity Plan 2027-2029 by Singapore and the World Bank Group with a focus on helping developing countries to build the infrastructure they need to engage in high integrity carbon markets.

For Australia, this represents both a significant opportunity and a growing cost of inaction. This is outlined in CMI's Executive Summary of a report "Optimising Australia's Strategic Role in International Carbon Markets". As other countries establish partnerships, secure early-mover advantages, build institutional capability and position their industries in emerging international markets, Australia risks forfeiting opportunities to shape market rules, attract investment, develop export opportunities and strengthen its influence across the Indo-Pacific. Delaying decisions does not preserve Australia's options indefinitely; it risks leaving Australian businesses, project developers and technology providers behind as commercial relationships, investment flows and market infrastructure become established elsewhere. With considerable domestic carbon market expertise and strong regional relationships, Australia is well placed to participate. ***The priority now is to move from observing international market developments to actively exploring and preparing for participation – building the evidence base, institutional capability and strategic partnerships needed to ensure Australia can capture the opportunities as these markets mature.***