

AMC for Carbon Removal Design Decisions Summary Table

RMI’s Discussion Paper, [A Government-Led Advance Market Commitment \(AMC\) for Carbon Removal](#), highlights the need for carbon removal, how an AMC can fill critical industry gaps, and why governments should lead together on starting up an AMC. This resource serves as supplemental material to RMI’s Discussion Paper. These AMC for Carbon Removal Design Decisions Summary Tables discuss >30 design questions with >110 design options that will influence the implications and impacts of an AMC. RMI’s Discussion Paper and supplemental material provides a menu of options for the design of a carbon removal AMC with the aim of sparking and informing a process by which government, civil society, and industry stakeholders co-create an AMC best suited to the needs of the involved governments and the carbon removal sector.

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Market definition and product eligibility

Market definition defines the boundaries of a market, including products traded, geographic area, customer base, and other considerations. An AMC must define the market relevant to its activities and should align its design with the market it intends to advance. **Exhibit 1** summarizes the design decisions that define a market for carbon removal.

Exhibit 1. Decisions and options for an AMC’s market definition and product eligibility

Topic	Design decision	Brief description	Options	Design trade-offs
Carbon removal approaches	<i>Which carbon removal approaches are eligible?</i>	An AMC could vary in what types of carbon removal are eligible for funding. Restrictions on eligibility could be placed around inherent qualities of a carbon removal approach like durability. Additionally, eligible approaches could be tailored to members or not.	Specific approaches only	<ul style="list-style-type: none"> Reduces the likelihood that a portfolio is supported Funnels all support to a select few approaches
			Low-durability only	<ul style="list-style-type: none"> Does not fill demand gap for early-stage high-durability technologies Complexities around durability and quality, including the need for mechanisms to address the risk of reversal Does not support a full portfolio of solutions
			High-durability only	<ul style="list-style-type: none"> Fills demand gap for early-stage high-durability technologies, which most need demand support May alienate some countries that rely on nature-based solutions from joining Does not support a full portfolio of solutions
			Low- and high-durability	<ul style="list-style-type: none"> Covers a portfolio of solutions Likely to garner most membership support Most complex for accounting and standard setting
			Include mechanisms for equivalency between approaches	<ul style="list-style-type: none"> Ensures quality while supporting a portfolio Requires the most effort from the AMC mechanisms May resolve questions around differences in quality
			Tailor eligible approaches to specific AMC members	<ul style="list-style-type: none"> Most effort for the AMC mechanism Likely to garner most membership May not lead to a portfolio of solutions

Measurement readiness	<i>How measurable must eligible carbon removal approaches be?</i>	Beyond inherent qualities, an AMC could vary in what level of measurement readiness it supports, including if an approach is or is not ready for pay for performance or for pay for practice.	Ready for pay for performance	<ul style="list-style-type: none"> • Most straightforward for tracking purchases • Reduces support of emerging solutions • May provide highest integrity because supports the most mature solutions
			Not ready for pay for performance	<ul style="list-style-type: none"> • Emissions accounting is impossible, countries cannot use purchases to meet emissions goals • Supports innovation for emerging solutions • May be redundant with other support policies
			Ready for pay for practice	<ul style="list-style-type: none"> • Incentivizes deployment rather than purchasing • Emissions accounting is impossible, countries cannot use purchases to meet emissions goals • Could support mature and emerging solutions
			Not ready for pay for practice	<ul style="list-style-type: none"> • Emissions accounting is impossible, countries cannot use purchases to meet emissions goals • Supports only innovation for emerging solutions
			Any level of measurement readiness	<ul style="list-style-type: none"> • Most complex for the AMC mechanism • Will require different types of funding • Provides most supplier options
Eligible geographies	<i>What geographies are allowed to produce carbon removal?</i>	An AMC could determine where carbon removal supported by members can be produced, whether only in member jurisdictions, anywhere, or if this eligibility varies based on individual members.	Any geography	<ul style="list-style-type: none"> • Most complex for accounting and funding • Greatest variety of suppliers and project types • Allows countries to participate without being members, including less wealthy countries
			AMC government member jurisdictions only	<ul style="list-style-type: none"> • May restrict supplier and approach diversity • May exacerbate inequities because less wealthy countries are unable to join
			Domestic procurement only	<ul style="list-style-type: none"> • May be favored by some governments that want to support domestic production • Decreases supplier options, amount of demand created, and pot of funding • Limits possibility of economies of scale • May prevent countries with low fiscal capacity from becoming members

Funding types	<i>What funding types count toward a member's commitment?</i>	Member funding commitments could be met through multiple avenues, including, but not limited to, the purchase of carbon credits.	Pay for performance (e.g., credit purchase)	<ul style="list-style-type: none"> • Matches current market structures • Easiest for accounting • Most straightforward demand creation
			Subsidy for performance (e.g., credit subsidy)	<ul style="list-style-type: none"> • May incentivize less demand than purchases • Makes accounting more difficult • Could advantage existing policies
			Pay for practice	<ul style="list-style-type: none"> • Most difficult for accounting • Could advantage existing policies • Could support early-stage approaches
Funding scale	<i>What minimum amount is required for a member to participate?</i>	Member funding commitments could be required to exceed a certain threshold, by a certain time, and/or be indexed to a member's characteristics, e.g., GDP.	Commitment type	<ul style="list-style-type: none"> • Currency commitments allow diverse funding types whereas ton commitments limit funding types (e.g., no pay for practice)
			Commitment minimum	<ul style="list-style-type: none"> • Sets minimum level to send market signals • Likely to crowd in more funding • May prevent countries from being able to join
			Commitment timing	<ul style="list-style-type: none"> • Having a deadline to make a commitment by will influence which members can join • Having a deadline will spur near-term demand
			Adjustments based on member characteristics	<ul style="list-style-type: none"> • Requires more effort from AMC mechanism • More likely to be inclusive of all geographies
Funding timing	<i>Which past and future expenditures count toward a member's commitments?</i>	Member funding commitments could be met through allocations or policies in place before an AMC commitment was made or be limited to funding allocated after joining an AMC.	Both existing / previous and additional commitments and purchases	<ul style="list-style-type: none"> • Lower barrier to entry may attract more members • Less standardized commitments make accounting and standard setting more complex • Unlikely to crowd in as much additional funding, reducing impact of the AMC
			Additional commitments and purchases only	<ul style="list-style-type: none"> • Crowds in new, additional funding, making AMC more impactful to carbon removal industry • May lead to lower membership • May reduce overall potential pot of funding

Source: RMI analysis

Buyers and suppliers

An important element of an AMC is its eligible buyers and suppliers. An AMC should define who is eligible to be a member which will influence other design considerations. In addition, based on the market definition, eligible suppliers should be defined while the AMC is being designed. A summary is provided in **Exhibit 2**.

Exhibit 2. Decisions and options for an AMC's buyers and suppliers

Topic	Design decision	Brief description	Options	Design trade-offs
Government buyers	<i>Which levels of government are eligible to be buyers in the AMC?</i>	Given the goal of increasing government demand for carbon removal, the AMC could define different levels of governments as being eligible to join as a member (e.g. commit funds).	National governments	<ul style="list-style-type: none"> • Easier for national greenhouse gas accounting • May reduce funding pot if only level of government allowed
			Supra-national governments	<ul style="list-style-type: none"> • May expand funding pot because of larger supra-national government size • May complicate accounting
			Sub-national governments	<ul style="list-style-type: none"> • May expand funding pot if sub-national governments could join even if national governments did not • Would complicate national greenhouse gas accounting
Eligible suppliers	<i>What supplier types are allowed to supply carbon removal to the AMC?</i>	An AMC could define several groups of suppliers as eligible or ineligible for supplying carbon removal, including different types of companies, government entities, or non-government public sector entities.	Companies focused on carbon removal	<ul style="list-style-type: none"> • May support smaller, most in need companies • Reduce supplier options
			Companies with a larger scope than just carbon removal	<ul style="list-style-type: none"> • May incentivize industrial integration at larger companies • Reduce supplier options
			Both types of companies	<ul style="list-style-type: none"> • Will increase supplier options • Will likely support largest portfolio
			Government entities	<ul style="list-style-type: none"> • Complicates accounting • May expand supplier pool • May incentivize unique ownership models • May create flows of capital to less-wealthy countries
			Unique supplier models are incentivized	<ul style="list-style-type: none"> • May build trust with communities • Could incentivize innovation in financial models

Private-sector involvement	<i>What roles could private sector entities have in purchasing in the AMC?</i>	The role of private sector buyers could range from also allowing entities as full members to fully prohibiting private sector involvement.	Full members of the AMC	<ul style="list-style-type: none"> • Grows funding pot • Could fill gaps in underfunded areas • Complicates procurement process and governance
			Match purchases of government AMC members	<ul style="list-style-type: none"> • Grows funding pot • Could fill gaps in underfunded areas • Complicates procurement • Less complex governance than if corporates are members
			Corporate membership prohibited	<ul style="list-style-type: none"> • Reduces overall pot of funding • Simplest governance and procurement models

Source: RMI analysis

Standards and methodologies

Standards and methodologies are central to an AMC's functions, especially given the need for creating and harmonizing high quality standards for carbon removal. An AMC should determine what types of standards and methodologies it relies on, how they are developed, and who develops them. A summary is provided in **Exhibit 3**.

Exhibit 3. Decisions and options for an AMC's standards and methodologies

Topic	Design decision	Brief description	Options	Design trade-offs
Standards	<i>What product standard(s) does the AMC use?</i>	An AMC could decide to either define its own standard or to use existing standard(s) depending on whether existing standard(s) will meet the goals of an AMC.	Define own standard	<ul style="list-style-type: none"> • More time and effort required • Could be redundant / contradict existing standards • Could set a high bar for quality, across jurisdictions • Can be updated over time to reflect best science
			Use existing standard(s)	<ul style="list-style-type: none"> • Less time and effort required • Could reduce member involvement from those that want to set their own standards • Depending on standard, may raise or lower quality • Can be updated over time to reflect best science

Methodologies	<i>What methodologies are eligible?</i>	An AMC could decide to either create its own methodologies or use existing methodologies. This decision will also depend on chosen standard(s).	Create own methodologies	<ul style="list-style-type: none"> • Very time and funding intensive, especially given disagreement on permanence and other qualities • Could be redundant • Could reduce member involvement or supplier options • Could lead to global harmonization, if widely adopted
			Use existing methodologies	<ul style="list-style-type: none"> • Less time and funding required • Depending on methodologies, could lead to harmonization or fragmentation • More inclusive of existing government programs
Setting standards	<i>What body is responsible for determining eligible standard(s) or methodologies?</i>	An AMC could structure its standard setting in a variety of ways, including by delegating the responsibility to a group of staff, a body within the AMC, to an external body, or a combination.	Group of general AMC staff and/or leadership	<ul style="list-style-type: none"> • Reduces member influence, may reduce membership • High effort for AMC mechanism
			Specialized body within AMC	<ul style="list-style-type: none"> • More effort and influence for members • Effort required for convening body • Hard to negotiate depending on stakeholder makeup
			External advisory body	<ul style="list-style-type: none"> • Decision-making outside of AMC • Reduces member influence, may reduce membership • Reduces effort required from AMC mechanism
			Combination of internal/external	<ul style="list-style-type: none"> • Requires most coordination • Allows for external expertise and member influence
Technical expertise	<i>What body is responsible for providing technical expertise on standards and methodologies?</i>	Like standard setting, when an AMC is deciding on standard(s) and methodologies, it could structure receiving technical expertise in a variety of ways.	Group of general AMC staff and/or leadership	<ul style="list-style-type: none"> • Requires AMC staff to have technical expertise • Reduces member influence • High effort for AMC mechanism
			Specialized body within AMC	<ul style="list-style-type: none"> • More effort and influence for members • Effort required for convening body • Requires specialized technical expertise within AMC
			External advisory body	<ul style="list-style-type: none"> • Technical expertise exists outside of AMC • Reduces member effort and influence • Reduces AMC effort and influence
			Combination of internal/external	<ul style="list-style-type: none"> • Requires most coordination • Allows for external expertise and member influence

Source: RMI analysis

Procurement facilitation

Procurement is the process in which projects are chosen to supply carbon removal to the AMC, which can vary greatly. An AMC must be intentional when designing this process, especially project sourcing, evaluation, selection, and contracting. These decisions will likely also be impacted by the interests and restrictions of members. A summary is provided in **Exhibit 4**.

Exhibit 4. Decisions and options for an AMC's procurement

Topic	Design decision	Brief description	Options	Design trade-offs
Sourcing -executor	<i>Who conducts solicitations?</i>	In an AMC, members could conduct solicitations themselves, or the AMC could solicit on behalf of members.	Members conduct solicitations	<ul style="list-style-type: none"> • More effort for members • Less standardization and coordination among members
			AMC conducts solicitations on behalf of its members	<ul style="list-style-type: none"> • Reduces administrative burden for members • More effort and funding required for AMC • Allows for streamlining across all members
Sourcing -customer	<i>Who are solicitations conducted for?</i>	Solicitations could occur for individual members, aligned groups of members, or the entire AMC membership.	Solicitations occur for individual members based on unique preferences	<ul style="list-style-type: none"> • More member influence and flexibility • Most time and effort (if the AMC is conducting) • Less accounting complexity • Economies of scale less likely
			Solicitations occur for groups of members with aligned preferences	<ul style="list-style-type: none"> • Increases the funding pot • Less member influence and flexibility • Some accounting complexity • Not all members have to be aligned
			Solicitations occur for all members together	<ul style="list-style-type: none"> • Least member influence and flexibility • Accounting complexity • All members must be aligned • Greatest economies of scale and funding pot
Evaluation	<i>Who conducts diligence on potential carbon removal projects and makes purchase recommendations?</i>	An important part of an AMC is ensuring a carbon removal supplier/project undergoes diligence before being selected or contracted with. Members could be responsible for this, or the AMC could do so on behalf of members.	AMC evaluates projects on behalf of members	<ul style="list-style-type: none"> • Reduces administrative burden and cost for members • More effort and funding required for AMC • Allows for streamlining across all members
			Members evaluate projects	<ul style="list-style-type: none"> • More member control • Less cost savings • More effort for individual members

Selection	<i>Who holds final decision-making power on which carbon removal to purchase?</i>	An AMC could agree in advance that members hold final decision-making power or AMC could hold final decision-making power on where funds are allocated.	AMC	<ul style="list-style-type: none"> • Reduce member influence, may reduce members • More agency for AMC to fill specific gaps • More complex governance • May increase contracting complexities
			Members	<ul style="list-style-type: none"> • More member control, may increase members • May reduce support of portfolio • May reduce contracting complexities
Contracting	<i>Who executes carbon removal purchases?</i>	Once a project is chosen, either members or an AMC could directly contract with the supplier(s). If AMC contracts with projects, it then must resell carbon removal to members; it can either resell to individual members, to groups, or to the whole AMC. It can resell from individual suppliers or from a portfolio of suppliers.	Members contract directly with individual projects	<ul style="list-style-type: none"> • May reduce complexity given no middle contracting entity • More member influence over contracts • More effort required from individual members
			AMC contracts with projects directly, resells carbon removal from individual projects to individual members	<ul style="list-style-type: none"> • Increases liability for AMC mechanism • Reduces effort required from members • Allows members flexibility in purchasing
			AMC contracts with projects directly, resells portfolio to groups of members (pooled fund)	<ul style="list-style-type: none"> • Increases liability for AMC mechanism • Reduces effort for members • Reduces member flexibility in purchasing • Does not require all members to be aligned • May reduce membership because of inability to participate in pooled funding mechanism
			AMC contracts with projects directly, resells portfolio to members (pooled fund)	<ul style="list-style-type: none"> • Increases liability for AMC mechanism • Reduces effort for members • Reduces member flexibility in purchasing • Requires all members to be aligned • May reduce membership because of inability to participate in pooled funding mechanism

Technical expertise	<i>What body is responsible for providing technical expertise and evaluation at the carbon removal project level?</i>	During sourcing, diligence, and contracting processes, technical expertise is necessary and could either be a group of AMC staff, a specialized body within the AMC, or an external body.	Group of general AMC staff and / or leadership	<ul style="list-style-type: none"> Requires AMC staff to have technical expertise Reduces member influence High effort for AMC mechanism
			Specialized body within AMC	<ul style="list-style-type: none"> More effort and influence for members Effort required for convening body Requires specialized technical expertise within AMC
			External advisory body	<ul style="list-style-type: none"> Technical expertise exists outside of AMC Reduces member effort and influence Reduces AMC effort and influence May reduce member trust because little influence
			Combination of internal / external	<ul style="list-style-type: none"> Requires most coordination Allows for external expertise and member influence

Source: RMI analysis

Registries

A carbon credit registry tracks the status of credits from creation to retirement and beyond. A central goal of a registry is to ensure that carbon credits are not being double counted or resold after they have already been used. An AMC should determine what registries it uses and how it uses them. A summary is provided in **Exhibit 5**.

Exhibit 5. Decisions and options for an AMC's registries

Topic	Design decision	Brief description	Options	Design trade-offs
Registries	<i>What registries does the AMC use?</i>	An AMC could leverage existing registries or create its own. Additionally, the AMC could operate the registry or subcontract operations.	Control and operate own credit registry	<ul style="list-style-type: none"> Easily integrate new standards and methodologies Requires staff and budget
			Control own credit registry and subcontract operations	<ul style="list-style-type: none"> Easily integrate new standards and methodologies Saves on staff time
			Leverage existing registries	<ul style="list-style-type: none"> More complex if using new standards /methodologies Reduces time and funding required

Source: RMI analysis

Project monitoring

Carbon removal projects must be monitored to ensure standards are met, removals are verified, and environmental and health harms are not occurring. Project monitoring is necessary to build trust in carbon removal and to ensure high standards related to labor, community engagement, and equity are being followed, especially if an AMC covers diverse geographies and facilitates cross-border funding. An AMC should determine how project monitoring occurs for projects it is funding. A decision summary is provided in **Exhibit 6**.

Exhibit 6. Decisions and options for an AMC’s project monitoring

Topic	Design decision	Brief description	Options	Design trade-offs
Project monitoring	Who conducts monitoring projects supplying carbon removal?	Project monitoring in an AMC could be conducted by individual AMC members, a body within the AMC, or specialized third parties.	Individual AMC members (if they are contracted with projects)	<ul style="list-style-type: none">Increases effort for membersReduces effort for AMC mechanismWill not streamline process or save on costs
			A mechanism/body within the AMC	<ul style="list-style-type: none">Reduces effort for membersIncreases effort for AMC mechanismMore likely to streamline process
			Specialized third parties	<ul style="list-style-type: none">Reduces effort for members and AMC mechanismMay be more trusted as unbiasedProcess is streamlined for members

Source: RMI analysis

Cross-border funding

Consideration of cross-border funding and accounting is necessary in AMC design. If a country only wants to fund carbon removal within its own borders, then cross-border funding and accounting will not be relevant. However, in pooled funding scenarios (where several countries combine financial resources) or scenarios where a country contracts with an entity in a different country, determining the logistics of cross-border funding and accounting will be critical. A summary is provided in **Exhibit 7**.

Exhibit 7. Decisions and options for an AMC's cross-border funding

Topic	Design decision	Brief description	Options	Design trade-offs
Cross-border funding	<i>How does the AMC incorporate cross-border funding?</i>	Cross-border funding could be prohibited, allowed, encouraged, or required by an AMC which depends on other design choices like procurement facilitation.	Prohibits	<ul style="list-style-type: none"> • Prohibits pooled funding mechanisms • Reduces possibility of economies of scale • May reduce AMC membership • May lead to equity issues due to less-wealthy countries being unable to participate
			Allows	<ul style="list-style-type: none"> • Increases flexibility for members • Increases accounting complexity • Will likely lead to international flows of capital
			Encourages / incentivizes	<ul style="list-style-type: none"> • Increases flexibility for members • Increases accounting complexity • Incentivizes international flows of capital • Incentivizes creating a global market
			Requires	<ul style="list-style-type: none"> • Reduces flexibility for members • Increases accounting complexity • Will likely reduce membership because of national rules around funding constraints

Source: RMI analysis

Legal structure

The legal structure and designation of an AMC will determine which activities it is allowed to conduct as well as what requirements it must follow by law and will therefore vary depending on its goals. Additionally, the legal structure of an AMC will vary based on how it interacts with stakeholders, builds trust in the carbon removal industry, etc. Based on goals and priorities, the AMC should determine the best fit for legal designation, structure, and location. A summary is provided in **Exhibit 8**.

Exhibit 8. Decisions and options for an AMC's legal structure

Topic	Design decision	Brief description	Options	Design trade-offs
Legal designation	<i>How should the AMC be legally incorporated?</i>	An AMC could be a non-profit, for-profit, public-private partnership, or public benefits corporation. Additionally, if made up of multiple entities, they might differ in legal designation.	Non-profit	<ul style="list-style-type: none"> • May be more trusted by the public and members • Likely restricts the activities an AMC could perform • Unlikely to have conflicts of interest, not driven by profit
			For-profit LLC	<ul style="list-style-type: none"> • Business functions not limited due to tax status • May be less trusted by the public and members • Driven by profit and shareholders
			Public-private partnership	<ul style="list-style-type: none"> • Reduces risk of investment • Function depends on role corporates play • Complicated governance and contracting
			Public benefit corporation	<ul style="list-style-type: none"> • Ability to have this status is impacted by geography • Required to be transparent and consider impacts • Driven by profit and shareholders
Legal structure	<i>How should the AMC be legally structured?</i>	An AMC could either be a single entity that is responsible for all functions or be made up of multiple entities that have different roles and responsibilities but are all connected.	Single entity	<ul style="list-style-type: none"> • Reduces complexity of AMC mechanism • Reduces governance complexity • Reduces start-up time • Likely reduces activities AMC can perform
			Multi entities and/or subsidiaries	<ul style="list-style-type: none"> • Increase governance and structure complexity • Increases start-up time • Diversifies possible activities of an AMC • May create liability protection between entities
Location	<i>Where should an AMC be incorporated?</i>	An AMC could be incorporated and based in the most advantageous geography.	In a participant country	<ul style="list-style-type: none"> • May lead to conflicts of interest • May increase funding pot if host country has more buy in • Other implications depend on specific host country
			In a non-participant country	<ul style="list-style-type: none"> • No conflicts of interest • May reduce funding pot • Other implications depend on specific host country

Institutional architecture	<i>Where should an AMC be housed?</i>	An AMC could be hosted within an existing institution, a collaboration between a network of institutions, or it could exist on its own.	Standalone	<ul style="list-style-type: none"> Increases control of institutional design May require more capacity building and time to stand up
			As a network of institutions	<ul style="list-style-type: none"> Increases flexibility in structure Increases complexity in coordination
			Within a single existing institution	<ul style="list-style-type: none"> Reduces control of institutional design Reduces capacity building requirement and time to stand up

Source: RMI analysis

Governance

In addition to legal structure, many decisions need to be made regarding an AMC's governance, which will determine how decisions are made, who has decision making power, and how conflicts of interest are avoided while incorporating stakeholder input. Many options exist for how an AMC could be governed, and it is likely an AMC would incorporate a combination of these options. A summary is provided in **Exhibit 9**.

Exhibit 9. Decisions and options for an AMC's governance

Topic	Design decision	Brief description	Options	Design trade-offs
Governance	<i>How should the AMC be governed?</i>	An AMC could be made up of one or several governing structures, including options like a board of directors, a steering committee, member-based governance, etc.	Board of directors	<ul style="list-style-type: none"> Encourages strategic oversight of AMC Limits decision-making to a subset of individuals May introduce conflicts of interest Depends on accompanying governance structures
			Advisory board	<ul style="list-style-type: none"> Provides credibility Provides access to expertise May increase member influence (if on board) Depends on accompanying governance structures
			Executive team	<ul style="list-style-type: none"> Centralized decision-making Reduces member influence Depends on accompanying governance structures
			Steering committee	<ul style="list-style-type: none"> Provides focused expertise May only be useful for specific initiatives
			Member based governance	<ul style="list-style-type: none"> Provides agency to members, may increase members Decision-making may take more time and be complex Depends on accompanying governance structures
			Secretariat	<ul style="list-style-type: none"> Specialized to support administrative functions Depends on accompanying governance structures

Governing members	<i>Who participates in AMC governance?</i>	An AMC could be governed by different stakeholder groups or a combination of these groups which will determine who has influence over the direction of the AMC.	Government members	<ul style="list-style-type: none"> • Increase member influence, may increase members • Complicates standard setting • May create conflicts of interest
			Corporate members	<ul style="list-style-type: none"> • May increase AMC membership (for corporates) • Complicates standard setting • May create conflicts of interest • May cause tension between private and public members
			Philanthropic donors	<ul style="list-style-type: none"> • May increase funding pot • Complicates standard setting • May fill specific funding gaps • May cause tension between donors and members
			Carbon removal suppliers	<ul style="list-style-type: none"> • May influence available supply of carbon removal • Complicates standard setting • Likely create conflicts of interest if influencing purchasing
			Technical advisers	<ul style="list-style-type: none"> • May create a more rigorous AMC • May be more trusted / be seen as less biased • Complicates standard setting • Not necessarily aligned with member desires
			Members of the public	<ul style="list-style-type: none"> • May build trust in carbon removal and the AMC • Complicates standard setting • Will require technical capacity building
			AMC staff	<ul style="list-style-type: none"> • More effort for the AMC • Able to influence direction of AMC goals and priorities

Source: RMI analysis

Funding of operations

Unless the functions of an AMC are entirely run within the government agencies of its members, a central entity responsible for its operation will need to be funded. Responsibilities could include standard setting, sourcing, diligence, purchasing, reselling of credits, and more, and all these responsibilities will require time and resources. There are various funding options, and an AMC may choose to combine several of them. A summary is provided in **Exhibit 10**.

Exhibit 10. Decisions and options for an AMC’s funding of operations

Topic	Design decision	Brief description	Options	Design trade-offs
Funding of operations	<i>How does the AMC fund its operations?</i>	An AMC mechanism could be funded from by grants or fees, and these can vary by who is paying them and how they are calculated.	Grants from non-members	<ul style="list-style-type: none"> • Support initial AMC set-up • Reduces conflicts of interest • Funders may be less invested in success
			Grants from members	<ul style="list-style-type: none"> • Supports initial AMC set-up • May introduce conflict of interest • Funders are invested in success
			Fees on membership	<ul style="list-style-type: none"> • Funding depends on amount of members • May exclude less-wealthy nations • Provides ongoing funding, if members join regularly • May be misaligned with when funding is needed
			Transaction-based fees	<ul style="list-style-type: none"> • Provides more stable funding source • May incentivize larger purchases • May lead to entities reduce number of overall purchases
			Expenditure-based fees	<ul style="list-style-type: none"> • Provides more stable funding source • May discourage larger purchases
			Carbon regulations / fees	<ul style="list-style-type: none"> • Relies on existence of carbon regulations • Competing with other programs for funding • Increases accounting and governance complexity • Influences what nations can join

Source: RMI analysis

Other considerations

There are other design considerations for an AMC that are not necessarily central to operations and do not fit into the previous categories. These considerations are related to additional operations of an AMC such as innovative financing and capacity building. An AMC should consider how, if at all, these mechanisms will be included in its operations. A summary is provided in **Exhibit 11**.

Exhibit 11. Other considerations when designing an AMC

Topic	Design decision	Brief description	Options	Design trade-offs
Innovative financing	<i>How will an AMC include innovative financing mechanisms?</i>	An AMC could incorporate innovative financing mechanisms (e.g., work with MDBs, DFIs) or decide not to prioritize this as a function of the mechanism.	Central function	<ul style="list-style-type: none"> • Incentivizes more AMC membership • Incentivizes funding for specific gaps • Supports economic development in less-wealthy countries • More effort for the AMC and members
			Possible function, not central	<ul style="list-style-type: none"> • May incentivize more membership • May incentivize funding for specific gaps • May support economic development in less-wealthy countries • Likely more effort for AMC mechanism
			Not a function	<ul style="list-style-type: none"> • May preclude less-wealthy nations from joining • Less effort for the AMC mechanism
Capacity building and outreach	<i>How will an AMC provide capacity building and outreach?</i>	An AMC could incorporate capacity building or decide not to prioritize this as a function of the mechanism.	Central function	<ul style="list-style-type: none"> • May increase member's ability to create other supportive policies or programs • Increase public understanding of carbon removal • More funding and time required of AMC
			Possible function, not central	<ul style="list-style-type: none"> • May increase member's ability to create other supportive policies or programs • May increase public understanding of carbon removal • May require more funding and time of AMC
			Not a function	<ul style="list-style-type: none"> • Less funding and effort needed • Does not increase public understanding • Does not build technical capacity for members

Integration with other initiatives	<i>How will an AMC interact with other initiatives?</i>	An AMC could interact with, or be integrated into, other initiatives related to similar topics.	<ul style="list-style-type: none"> • Clean Energy Ministerial / Mission Innovation • Carbon Management Challenge • Group of Negative Emitters • G7/G20 Climate and Energy tracks • ICVCM and other private efforts 	<ul style="list-style-type: none"> • May increase or decrease operation • May increase member's ability to create other supportive policies or programs • Increase public understanding of carbon removal • More funding and time required of AMC
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Source: RMI analysis