# Global Carbon Removal Market on the Rise as World Bank Backs India's Low-Carbon Shift



**Global Carbon Removal Market Set for Significant Growth**

**RIYADH: The global market for carbon removal credits is projected to expand to $100 billion annually between 2030 and 2035, an increase from $2.7 billion in 2022, according to an analysis by Oliver Wyman, a US-based consultancy firm.**

Currently, $32 billion is invested in carbon dioxide removal (CDR) projects, with $21 billion in engineered solutions and $11 billion in nature-based solutions. The investment is split between $15 billion from public funding and $17 billion from private investors. James Davis, partner and co-head of Climate and Sustainability at Oliver Wyman, emphasized the need for carbon credits to scale three to five times to meet current levels of investment and achieve climate goals.

Carbon credits allow companies to offset their emissions, with one credit equivalent to one tonne of CO2. They are essential for transitioning to renewable energy and meeting the targets of the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius.

Key constraints to market growth include insufficient demand for CDR projects, lack of decarbonization guidance, and absence of universal quality standards. Oliver Wyman noted that without targeted interventions, the market would achieve only 10% of its potential.

Saudi Arabia is contributing to the market’s growth through the Regional Voluntary Carbon Market Co., which raised $133 million in 2022. The company sold 3.6 million tonnes of carbon credits through two auctions in 2023, attracting domestic companies like Saudi Aramco and NEOM. CEO Riham ElGizy underscored the importance of carbon trading in mitigating climate change.

**India’s Low-Carbon Shift Backed by $1.5 Billion from World Bank**

**NEW DELHI: In a significant development, the World Bank has approved $1.5 billion in financing to support India's transition to low-carbon energy sources.**

The funding aims to advance India's renewable energy capacity, develop green hydrogen technologies, and enhance climate finance initiatives. This move is part of the Low-Carbon Energy Programmatic Development Policy Operation, designed to attract private investment and facilitate India's National Green Hydrogen Mission, which targets $100 billion in investments by 2030.

By auctioning 50 GW of renewable energy annually from FY23-24 to FY27-28, India aims to achieve 500 GW of renewable energy capacity by 2030, potentially reducing carbon emissions by 40 million tons annually by 2026. The program also advocates for a national carbon trading scheme to incentivize emissions reductions.

The financing includes a $1.44 billion loan from the International Bank for Reconstruction and Development (IBRD), supported by a $1 billion backstop from the United Kingdom, and a $56.57 million credit from the International Development Association (IDA).

World Bank officials highlighted the potential for India to decouple emissions from economic growth by enhancing energy efficiency and transitioning to renewable sources, emphasizing the importance of continuous policy reforms to attract private investments and achieve net-zero emissions targets.