# Urgent Calls for Reform in Voluntary Carbon Markets Amid Credibility Concerns



### Voluntary Carbon Markets Face Urgent Call for Reform

The voluntary carbon markets, aimed at offsetting corporate greenhouse gas emissions, are under scrutiny. Set up to facilitate buying and selling carbon credits, these markets currently handle approximately US$2 billion (£1.57 billion) annually, a figure projected to grow tenfold in the next decade. However, criticisms of greenwashing and inefficacy in emissions reductions have cast doubt on their credibility.

A carbon credit promises future offsetting of emissions, either through avoidance methods like renewable energy or direct carbon removal and storage. Key methods include reforestation, biochar, and direct air capture. Nonetheless, accusations of failed projects and non-real reductions have emerged.

A recent report by the Climate Crisis Advisory Group (CCAG), led by Sir David King, emphasizes the need for reform to restore trust in these markets. The report outlines five major recommendations:

**Increase Transparency**: All aspects of the markets need enhanced transparency to expose poor practices and secure fair deals for local communities.

**Improve Accreditation**: Standardized monitoring and verification systems are essential for ensuring the authenticity of carbon credits.

**Credits Should Do No Harm**: Projects must be governed by humanitarian principles and involve local communities to avoid unintended harm.

**Focus on High-Quality Credits**: Credits should prioritize carbon removal rather than simply emission avoidance.

**More International Support**: Strong political backing and regulation are necessary to improve the market's credibility and effectiveness.

The market for carbon offsets has shrunk significantly, from $2 billion in recent years to $723 million in 2023, following revelations of their limited environmental impact. Sir David King stresses that without adopting rigorous scientific standards and ensuring financial benefits to local communities, the carbon credit market risks becoming obsolete.

The report, supported by Verra, advocates for stringent reforms and emphasizes the importance of carbon removal projects. Both the CCAG and contributing scientists, such as Mark Maslin and Mercedes Bustamante, advocate for increased regulation to ensure genuine environmental benefits and restore market credibility.

Judith Simon, interim CEO of Verra, supports the need for transparency and scientific rigor, aligning with the report's findings.

Efforts to reform voluntary carbon markets are critical for their potential to mobilize private funds and contribute meaningfully to global emission reduction targets.