

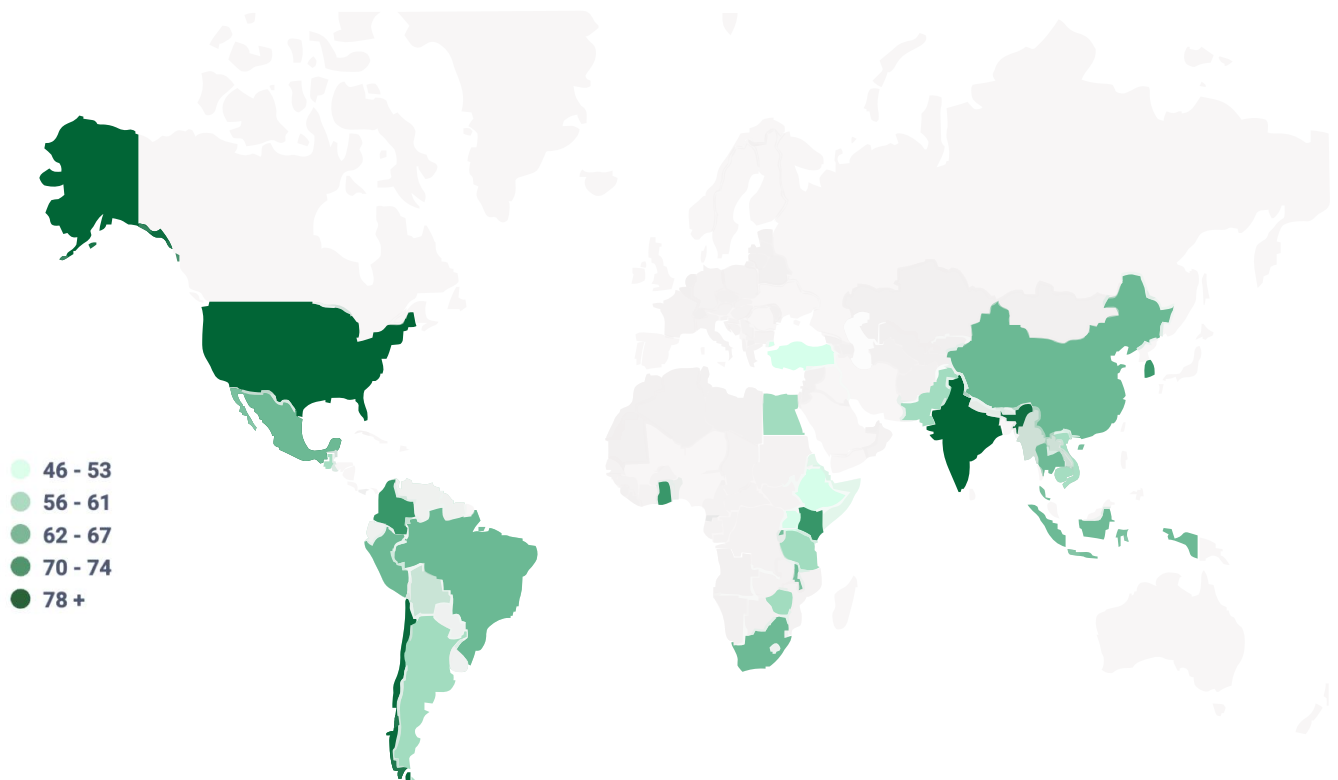
AlliedOffsets Monthly Country Policy Update

Introducing our new monthly Country Policy Update, which provides a snapshot into the changing policy and regulatory landscape across 29 of the most active countries in the VCM.

The AlliedOffsets Policy Scores track changes across five categories: **Political Commitment, Policy Processes, Institutional Frameworks, Market Performance and Business Friendliness**, and covers 20 indicators overall. Each of the country scores are updated monthly.

Global Score Change: +5.79 since May 2024

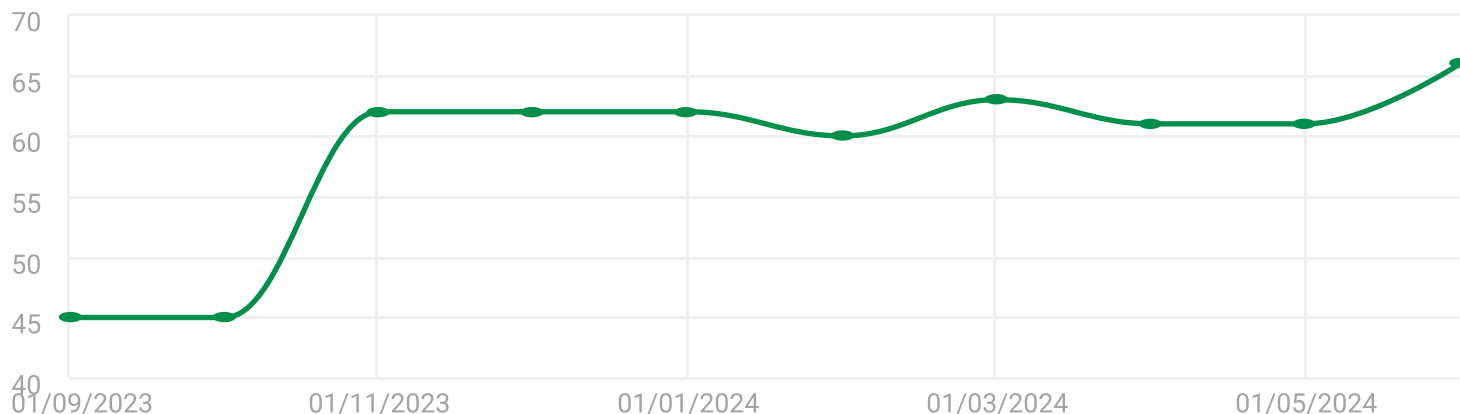
Over the past three months, we have seen governments take steps to strengthen the governance of national carbon markets (Kenya, DRC, Indonesia), sign bilateral implementation agreements to collaborate on Article 6 (Ghana, Singapore) as well as continue to amend which projects are eligible for registration under domestic emission compensation systems for compliance scheme operability (Chile, Mexico - Querétaro State, South Korea, South Africa, United States - Washington State). Where we expect an uptrend in infrastructural and institutional developments, market performances are expected to vary across countries until more credits receive CCP labels, and issuances from emerging methodologies from crediting standards come line.



What countries improved their ratings the most?

Most improved mover: Rwanda (65)

+ 4 score change since May, 2024. Moved 5 positions up from rank 18 to rank 13.



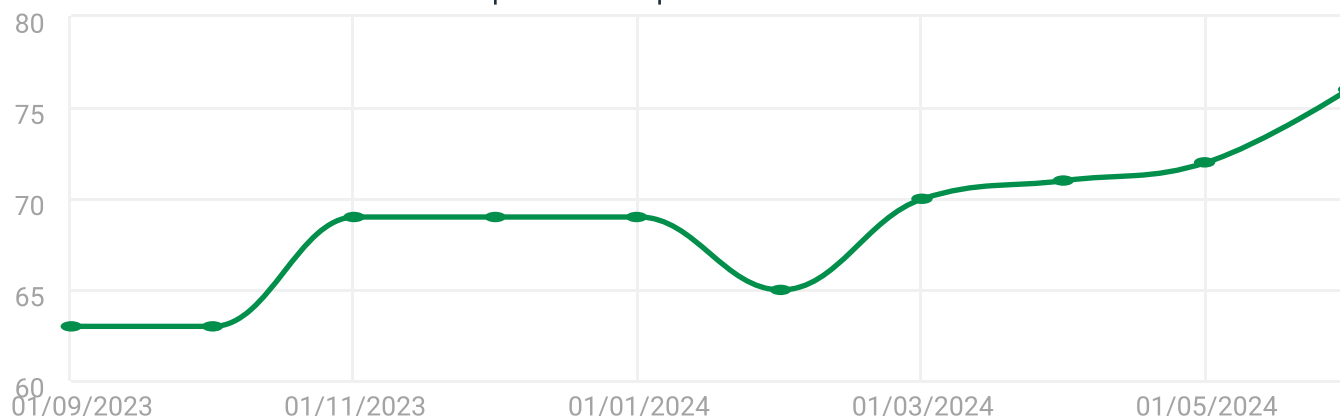
(+2) Policy Processes: June: Delagua Group partners with Oka to deliver a world first carbon insurance product to underpin trade in ITMOs. DelAgua grouped project becomes the first insured Article 6 project in the market. (Carbon Pulse)

(+2) Market Performance: increased market efficiency from 41.23% to 57% since May.

AlliedOffsets Comment: Rwanda has shown active engagement in the Article 6 market, operating under its National Carbon Market Framework (in force since December 2023). Rwanda has a bilateral agreement with Singapore to cooperate on carbon credit aligned with Article 6, but has yet to define the share of proceeds and fees to be applied to Art 6. projects.

Second most improved mover: Kenya (76)

+4 scores since last month. Moved 3 positions up: from rank 8 to rank 5.



(+4) Policy Processes: June: Kenya has announced plans to facilitate project development on flower farms, following the trend of VCMs considered to increase forex reserves. Government is in process of enacting the Carbon Credit Trading and Benefit Sharing Bill (2023). (Carbon Pulse).

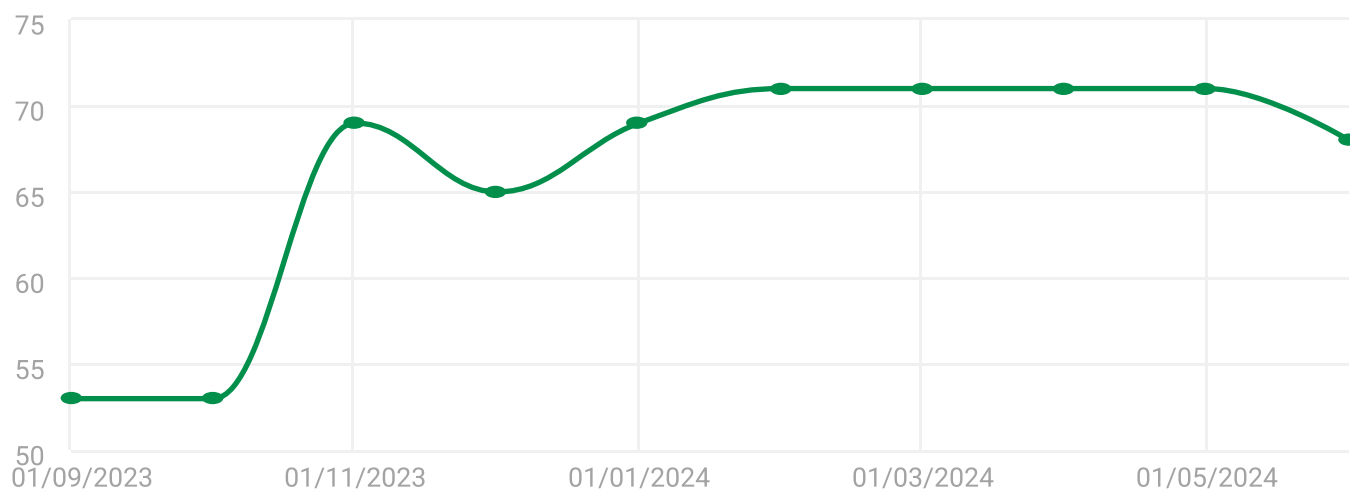
June: Abatable partners with the Olympic and Paralympic Games Paris 2024 to source and vet 6 high-impact carbon action projects across Kenya and 4 other countries.

AlliedOffsets Comment: Kenya has shown high political commitment to developing its domestic carbon market, through the publication of The Climate Change (Amendment) Act, 2024. Kenya's active private sector engagement, high market efficiency (retirements against remaining credits in the market) and has taken steps to implement Article 6 engagement through designating the National Environmental Management Authority (NEMA) as the Designated National Authority (DNA) to authorise and approve CDM projects transitioning to the Article 6.4 mechanism.

What countries decreased their ratings the most?

Highest falling country: Egypt (58)

-4 score change since May, 2024. Moved 5 positions down, from rank 17 to rank 22.



(=) Political Commitment, Processes, Institutional Framework

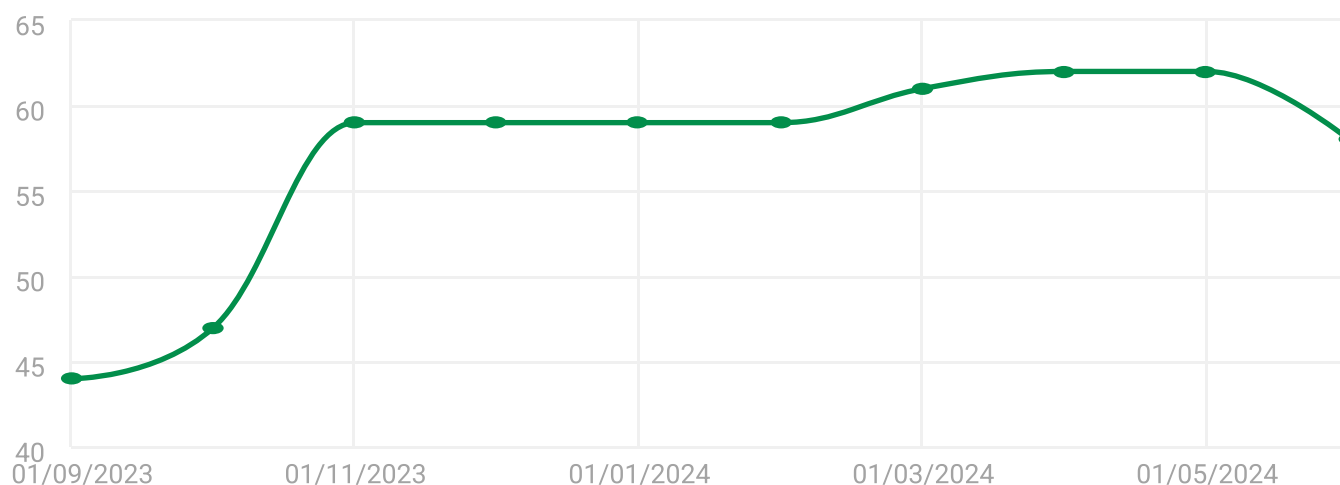
June: The World Bank has approved \$700 million in Development Policy Financing (DPF) to bolster Egypt's green transition: one of the key reforms is to establish a regulatory framework for the VCM. ([Enterprise News](#))

(-4) Market Performance: Market efficiency remains low (6%), unchanged since May, and scores very low (-15.36%, 1 out of 5) on the new indicator which tracks "average price paid per credit". The previous indicator measured the percentage of CDM issuances against independently certified issuances.

AlliedOffsets Comment: Egypt shows promising signs of domestic market growth in demonstrated political commitment and its evolving physical and institutional infrastructure. Egypt's VCM performance score is constrained by lack of project supply, as well as commitment to international collaboration under Article 6 or to link to regional carbon pricing mechanisms.

Second Highest falling country: Mexico (68)

- 3 score change since May, 2024. Moved 3 positions down, from rank 9 to rank 12



(+2) Policy Processes: Querétaro State offers natural gas consuming firms the exception to offset up to 80% of emissions obligations with compliance-eligible credits (Carbon Pulse). BioCarbon standard plans to issue the first biodiversity credits under its new methodology by Q4 2024.

(-4) Market Performance: Introduction of a new indicator (average price paid per credit) sees Mexico score 1 out of 5 as prices dropped from \$15.23/t to \$12.89/t (-15.36%) in June.

AlliedOffsets Comment: Under the latest administration, Mexico is yet to define its path towards developing a domestic carbon market. With delays in implementing a federal ETS, stagnant market activity reflects the policy uncertainty around this market.

Monthly Policy Score Changes

Breakdown of the countries with the total policy score, movement since last month and score difference from the previous period

Country	Total	Movement	Score Difference
United States	82	▲	4
Chile	78	▼	-3
India	78	▲	4
Kenya	76	▲	4
South Korea	75	▬	1
Singapore	74	▼	-5
Colombia	72	▼	-1
Ghana	72	▲	5
Brazil	70	▼	-3
Malawi	69	▲	3
China	68	▼	-2
Mexico	68	▼	-3
South Africa	68	▲	1
Indonesia	68	▼	-1
Rwanda	66	▲	5
Thailand	66	▬	0
Peru	64	▲	3
Vietnam	60	▼	-5
Tanzania	60	▲	1
Guatemala	60	▲	3
Argentina	58	▲	0
Egypt	58	▼	-4
Cambodia	57	▲	1
Pakistan	57	▼	-1
Zimbabwe	55	▲	4
Uganda	53	▼	0
Turkey	53	▲	5
Congo, Dem. Rep	50	▼	1
Ethiopia	48	▬	2