# AlliedOffsets Monthly Country Policy Update

Our Monthly Country Policy Update provides a snapshot into the changing policy and regulatory landscape across the most active countries in the VCM. Over the last month, we have added three new countries (Australia, United Kingdom and Guyana) to the AlliedOffsets Policy Tracker, taking the number of countries tracked to 39.

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 has remained stable, indicating minimal variation since July

In this report, we highlight the countries that saw the most significant improvements and steepest declines in their scores from July to August, as determined by our scoring system.
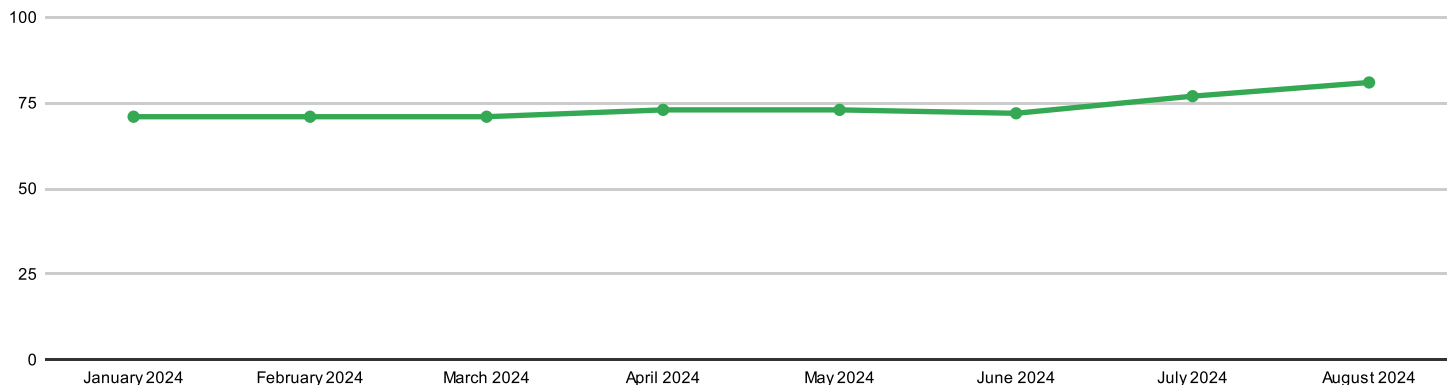
Market performance indicators have proven to significantly influence country movements in our ranking.

44
52 - 59
61 - 66
67 - 72
74 +
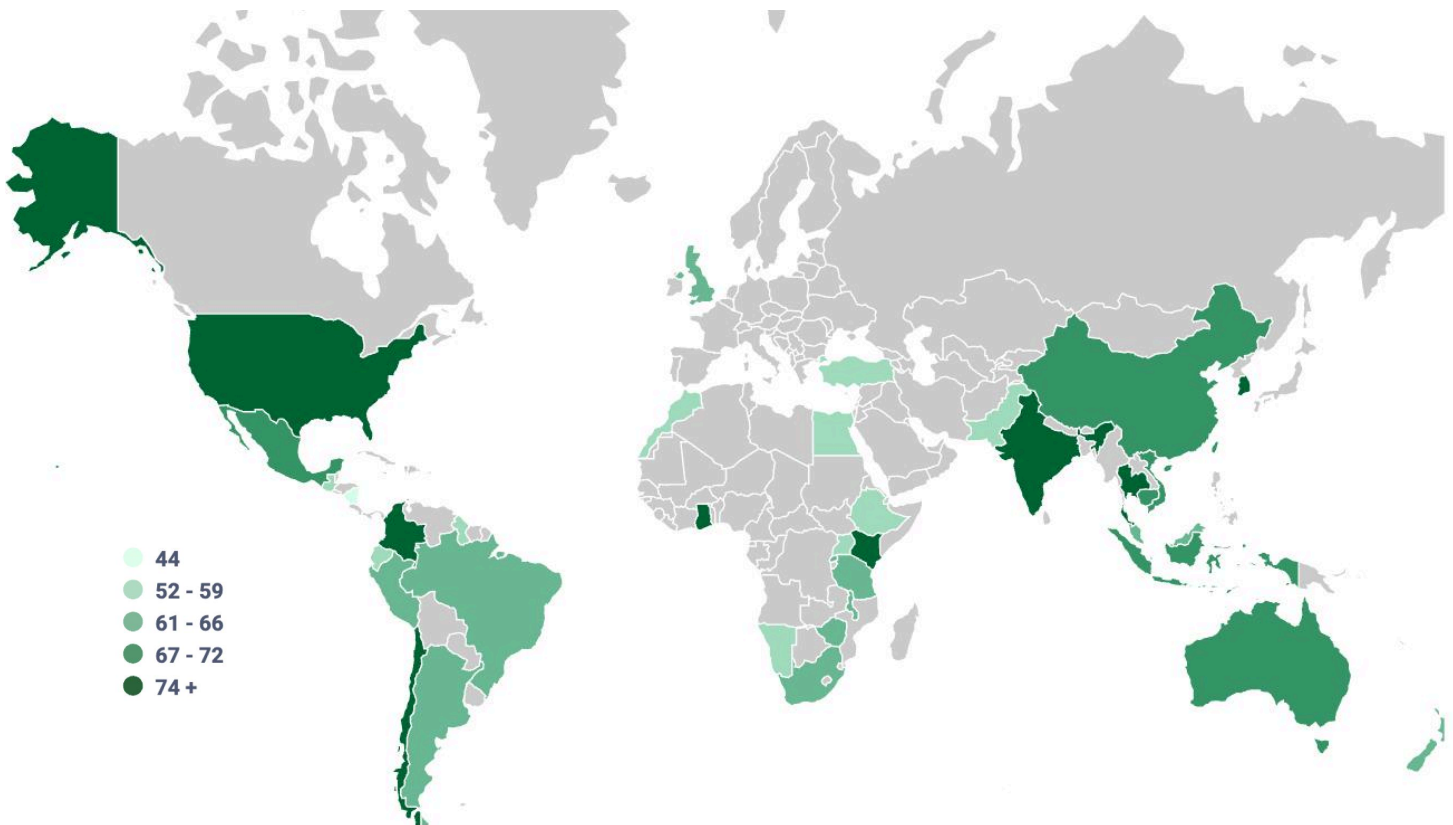
What countries improved their ratings the most?

Top Scoring performer: Colombia 77 → 81
+3 places, +4 points since July.

Score change:(+4) Market Performance
The average estimated price per credit increased by 20.8% from July to August, rising from $6.05 to $7.31. Besides, over the last three months, market efficiency (retirements against available credits) has remained at 120%.

Score change: (-) Policy Processes
The Constitutional Court of Colombia has issued ruling T-248 of 2024, reaffirming the rights of indigenous communities in the Amazon to decide on the implementation of REDD+ projects. Accordingly, the government has ordered the Ministry of Environment and Sustainable Development to coordinate the creation of a protocol with an ethnic perspective for implementing REDD+ projects in collective territories.

AlliedOffsets Comment:
In August, the Colombian carbon market saw a 2.21% rise in retirements and a 20.8% increase in average credit prices. Notably, unique buyers surged by 164.29%, signalling growing market participation and demand driven by the compliance carbon market.

Second top scoring performer: India 70 → 74
+1 places, +4 points) since July
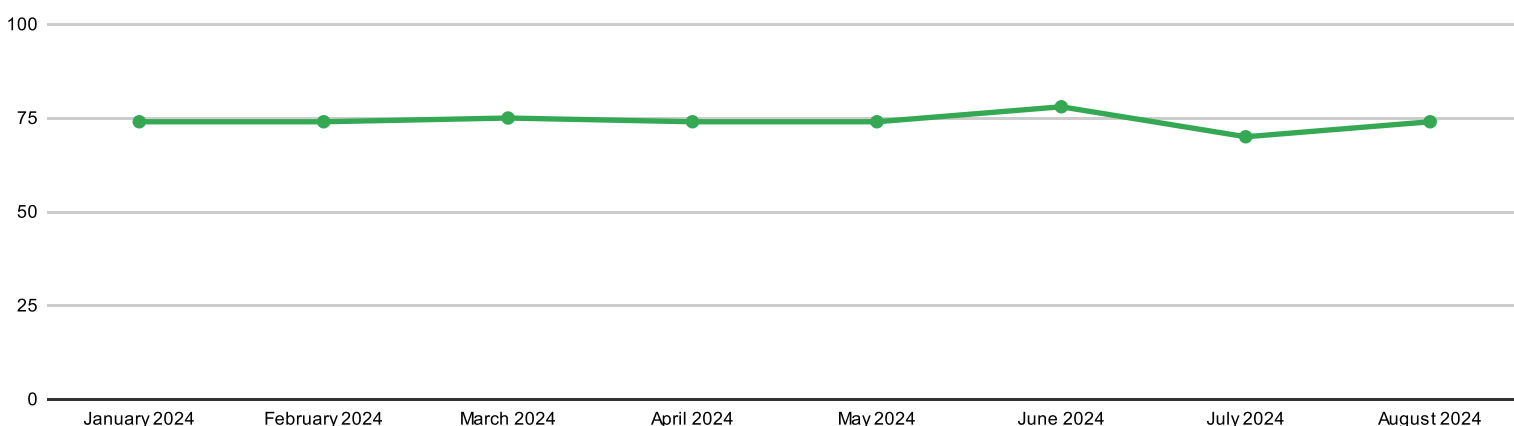
Score change: (+2) Market Performance
The average estimated price per credit increased by 8.82% from July to August, rising from $1.36 to $1.48. Besides, over the last three months, market efficiency (retirements against available credits) has remained at 48%.

Score change: (+2) Policy Processes
The Indian government is expecting to approve around 15-20 methodologies to operationalise its carbon market by the end of 2024.

AlliedOffsets Comment:
India's carbon market saw a +19.38% increase in retirements in August compared to the previous month, continuing a steady upward trend since its low in March 2024. The decline in unique buyers since March suggests a possible concentration of market activity among fewer participants, as participants await further developments in the Indian Carbon Market.

What countries decreased their ratings the most?

Highest ranking drop: United States 83 →79
-1 places, -4 points since July.
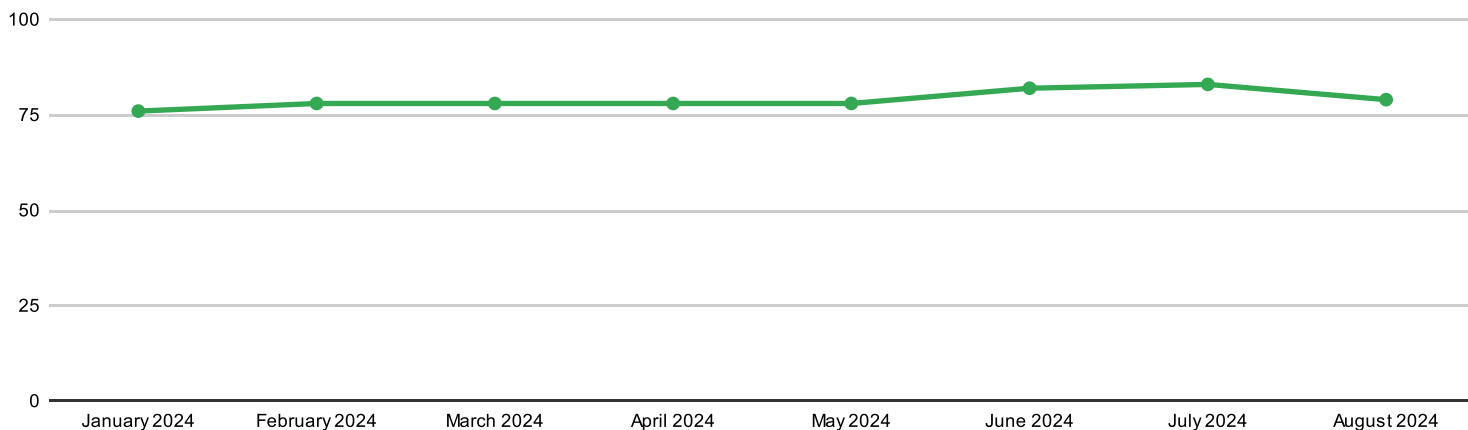
Score change: (- 4) Market Performance
The average estimated price per credit decreased by 33.09% from July to August, dropping from $22.45 to $15.02. Besides, market efficiency (retirements against available credits) declined from 460% in June to 425% in August.

Score change: (-) Policy Processes
The U.S. Department of Energy has allocated $44.5 million to fund research and development of CCS technologies. This initiative is designed to speed up CCS commercialization by targeting regions with significant potential for carbon dioxide storage.

AlliedOffsets Comment:
The U.S. carbon market saw a 44.69% drop in retirements and a 33.09% decline in credit prices, despite a 19.35% rise in unique buyers. This suggests increased buyer interest but reduced activity, possibly indicating a strategic wait for improved market conditions around integrity and additionality of VCM projects.

Second highest ranking drop: Peru 68 → 64
-12 places, -4 points since July.
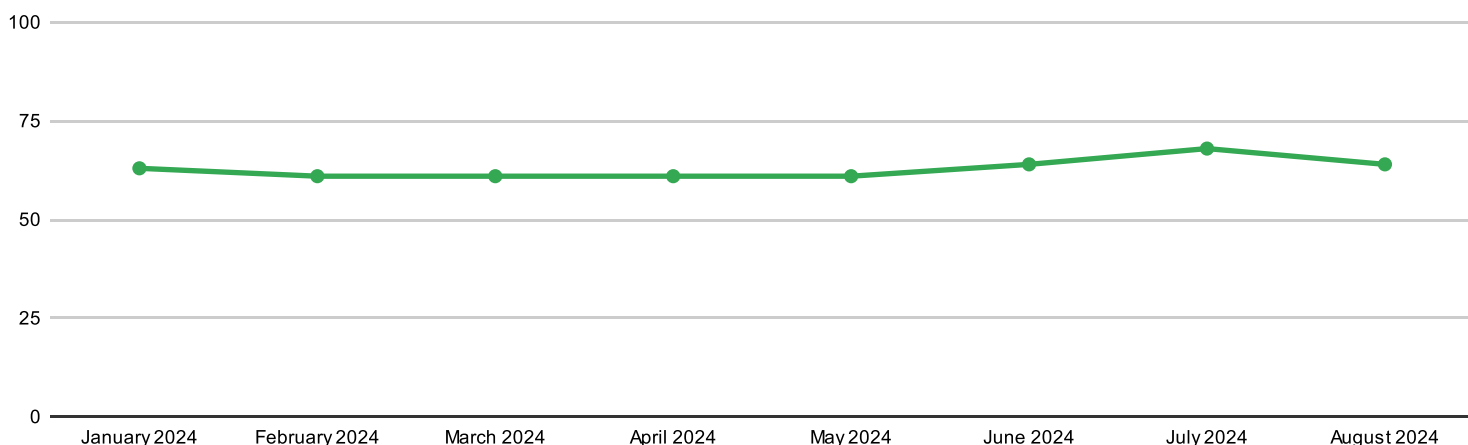
Score change: (-4) Market Performance
The average estimated price per credit decreased by 18.8% from July to August, dropping from $4.08 to $3.31. Market efficiency (retirements against available credits) declined slightly from 110% in June to 108% in August.

Score change: (-) Policy Processes
In June, French-Peruvian carbon project developer Fronterra signed an agreement with Peru's Natural Protected Areas Agency to proceed with 1.6m ha REDD+ project in Peru.

AlliedOffsets Comment:
In July, while unique buyers peaked, retirements dropped sharply by 81.7% compared to June, signalling high interest but low credit activity. By August, Peru's market saw further decline, with an 11.8% drop in retirements and an 84.93% decrease in unique buyers compared to July. Stakeholders expect the government to publish regulation on RENAMI at the beginning of October, which could influence market dynamics.

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	Overall Score	Rank Movement Direction	Score difference
Colombia	81	▲	4
United States	79	▼	-4
Kenya	79	▲	3
Singapore	76	▼	-2
Ghana	76	▼	-1
South Korea	75	▲	3
Chile	74	▼	-3
Thailand	74	▼	-1
India	74	▲	4
Australia	72	-	-
Taiwan	71	▲	4
Indonesia	69	▼	-1
Vietnam	68	▼	0
Cambodia	68	▲	2
Mexico	68	▲	4
China	67	▼	0
Rwanda	66	▼	-2
Brazil	66	▼	0
Tanzania	65	▼	-1

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	Score	Movement	Difference
Malawi	65	▼	1
New Zealand	65	▲	2
United Kingdom	65	-	-
Peru	64	▼	-4
Malaysia	64	▼	0
South Africa	64	▼	0
Argentina	64	▼	1
Zimbabwe	62	▼	1
Congo, Dem. Rep	61	-	3
Uganda	59	▼	-2
Egypt	59	-	0
Ecuador	59	-	1
Guatemala	58	▼	-2
Namibia	57	▼	-2
Turkey	56	▼	-3
Pakistan	55	▼	-1
Guyana	54	-	–
Morocco	52	-	-2
Ethiopia	52	-	0
Nicaragua	44	-	-4