

Voluntary Carbon Market 2025 Review

Emerging Trends for 2026



AlliedOffsets

Background

AlliedOffsets is a data, technology, and finance firm that creates solutions for the voluntary carbon offsetting market through broad, actionable, and live data. Our database is the largest source of data on the voluntary carbon market (VCM), tracking more than **36,000+ projects from over 35+ registries, 28,000+ corporates**, and billions of tons of carbon in issuances and retirements. Our products include interactive data dashboards, API endpoints, bespoke research reports, and custom-built tools for clients.

Our clients include global banks, energy firms, big four consulting firms, top universities in the world, intermediaries, project developers, and government agencies. We are proud of our commitment to keeping our clients happy, and have incorporated feedback and insights from their use cases in order to build products that provide value to all users.



AlliedOffsets Data Highlights

AlliedOffsets aggregates data from carbon registries and unregistered projects to present the most comprehensive dataset on carbon offsetting activity globally.

This data is updated on a regular basis, allowing investors, researchers, consultants, brokers, marketplaces, and others to conduct bespoke, in-depth analysis on the carbon markets.

36,000+

VCM Projects

1.8b+ tons

Retirements

28,000+

Buyers of Credits

900+

CDR Companies

An introduction by AlliedOffsets CEO and Co-Founder Lars Kroijer

2025 has been an encouraging year for the VCM, with four key trends giving reason for optimism about the market's growth and maturity.

Greenwashing and Reputational Risks Awareness

We hear of a growing awareness of greenwashing risks, and how media scrutiny is influencing the design and launch of new projects. Developers are increasingly mindful that their work will be examined by external stakeholders, which is encouraging higher standards and more rigorous approaches across the market. This was not the case a few years ago.

Expanding Compliance Frameworks

The number of compliance schemes worldwide continues to grow, with many already accepting, or is expected to accept voluntary credits. While the future of mechanisms such as Article 6 remains uncertain, any developments are likely to filter down to project-level practices and standards.

Growing Investor and Developer Appetite

There is clear interest from investors and developers in setting up and funding new projects, often using innovative fund structures. This influx of capital and energy into the market is a positive signal for growth and market development.

Market Maturity and Article 6 Developments

The future of Article 6 remains uncertain, but any developments are likely to filter down to the project level, influencing how projects are structured and financed. While some approvals may appear inconsistent and could lead to controversy or reputational risks, the influx of capital into the space is a positive signal, supporting new projects and overall market growth.

These key trends point to a market that is growing, maturing, and increasingly oriented toward high-quality, impactful projects.

Key Definitions & Acronyms

AcoGS – Avoided Conversion of Grasslands and Shrublands

AFOLU – Agriculture, Forestry and Other Land Use

ALM – Agricultural Land Management

ARR – Afforestation, Reforestation and Revegetation

BCH – Biochar

BECCS – Bioenergy with Carbon Capture and Storage

Bio-other – Bio-based CDR pathways ex-BECCS and biochar

CDR – Carbon Dioxide Removal

DAC – Direct Air Capture

ERW – Enhanced Rock Weathering

IFM – Improved Forest Management

MRV – Monitoring, Reporting, and Verification

NBS – Nature-Based Solutions

OAE – Ocean Alkalinity Enhancement

ODC – Ocean-based Carbon Dioxide Removal

REDD – Reducing Emissions from Deforestation and Forest Degradation

VCM – Voluntary Carbon Market

WRC – Wetland Restoration and Conservation

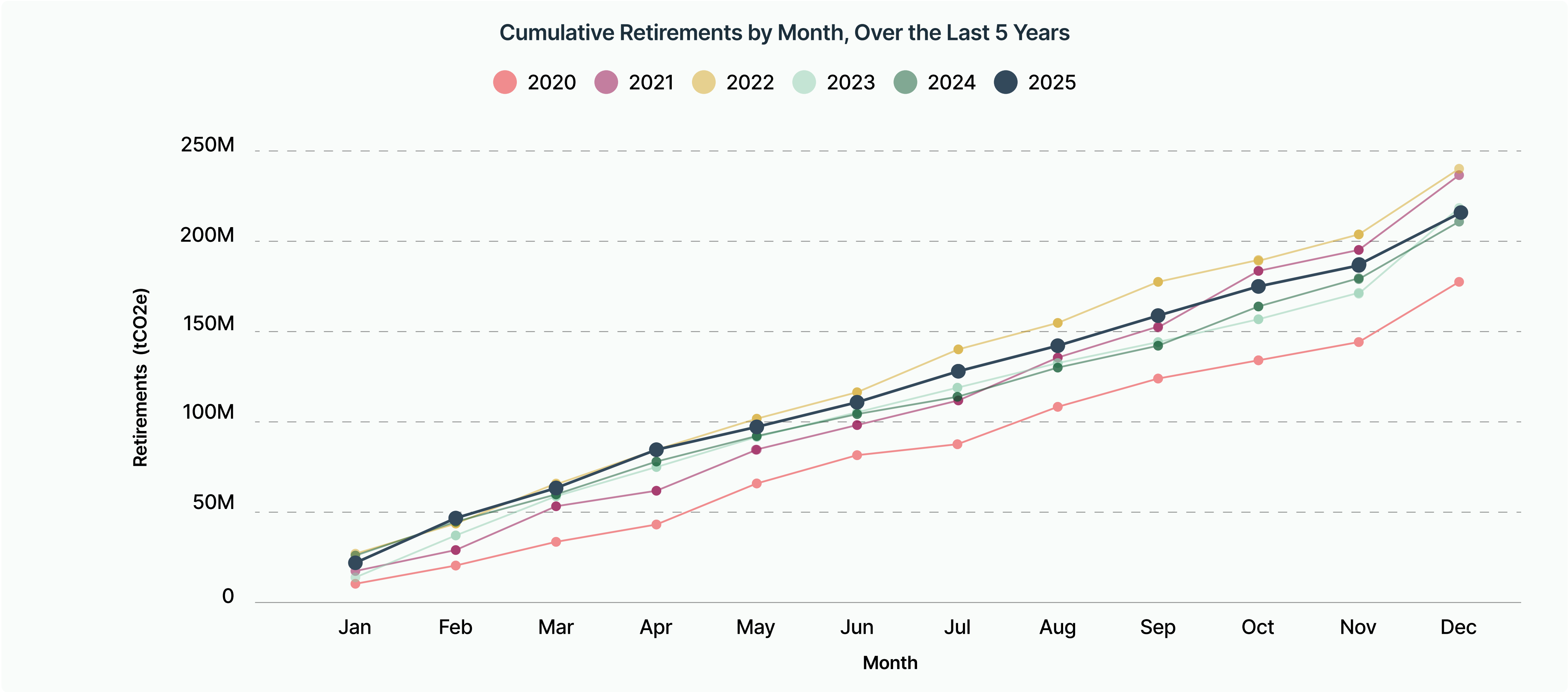


The data in this report is accurate as of December 30, 2025.

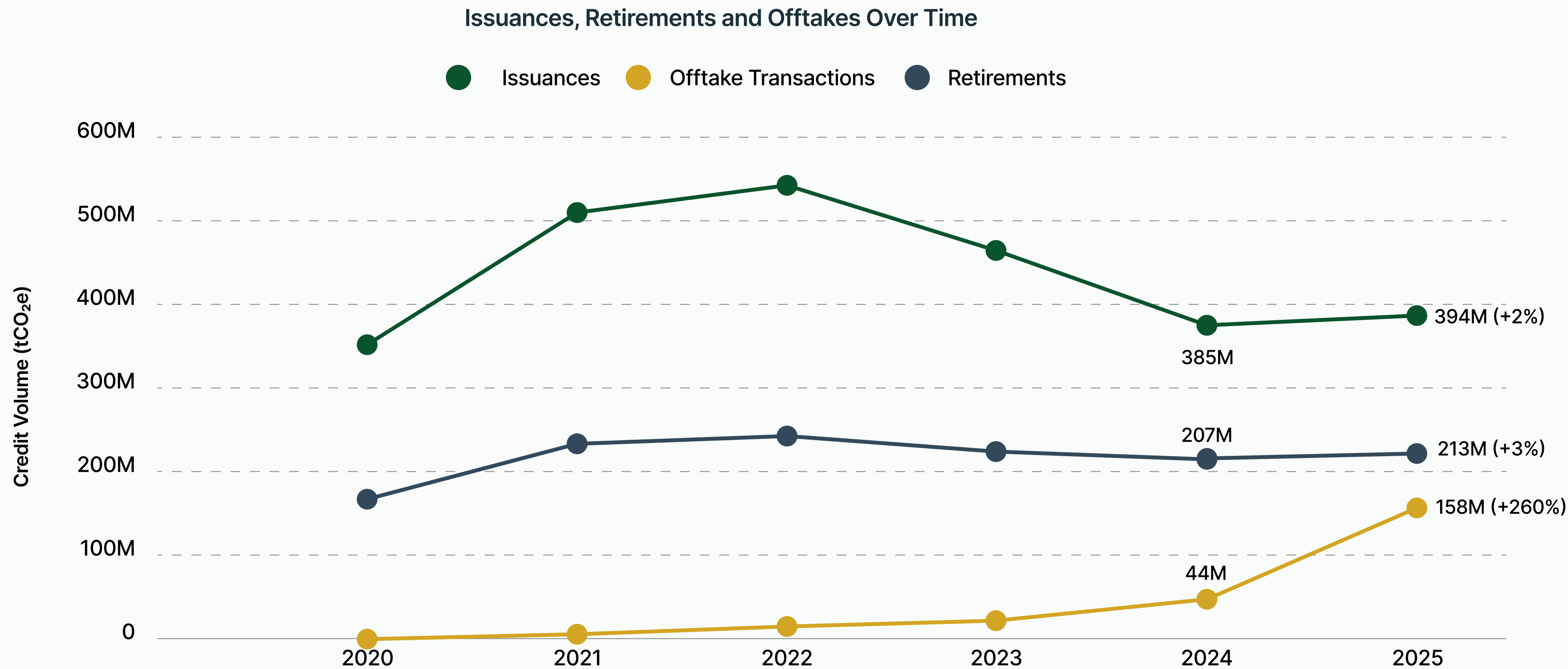
The Headlines of 2025: What the Numbers Tell Us About the Market



Retirements Outpace 2024 – Just Barely

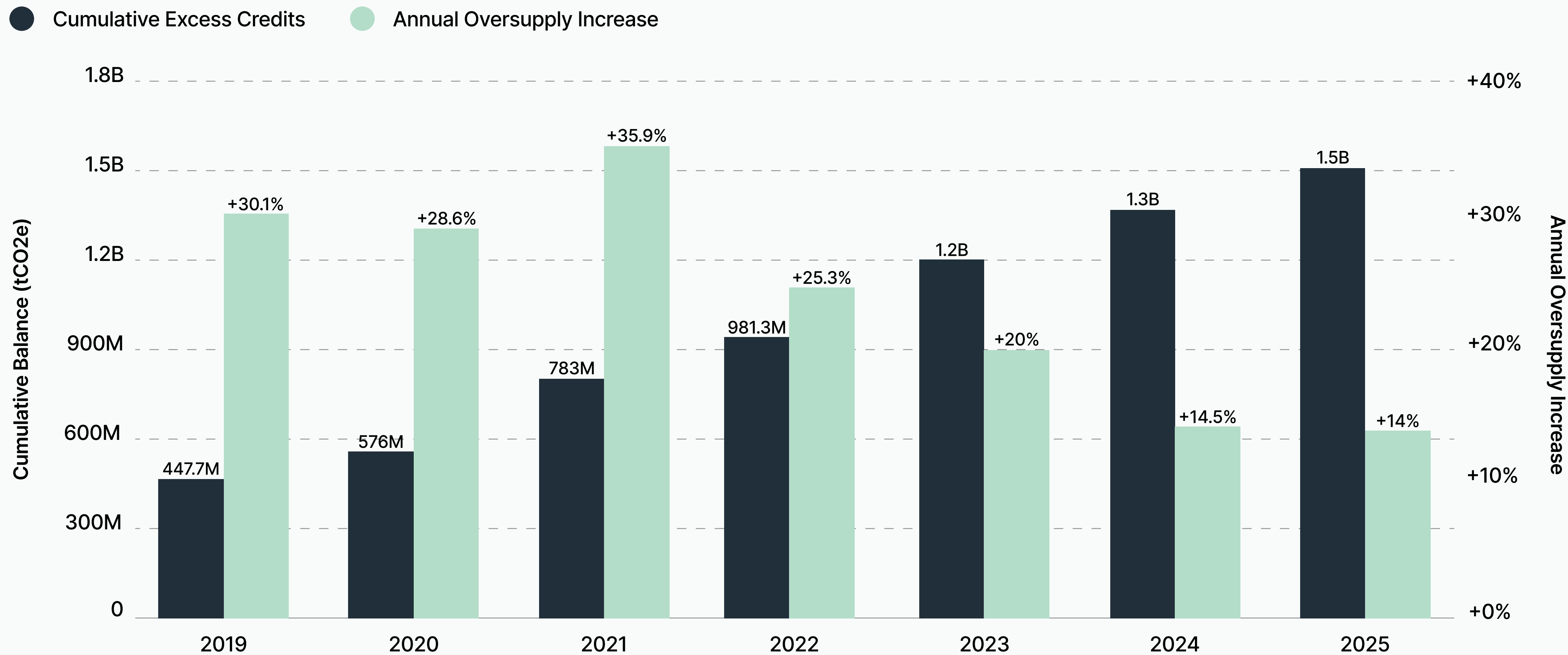


Issuances and Retirements Tick Up, Offtakes See Massive Growth

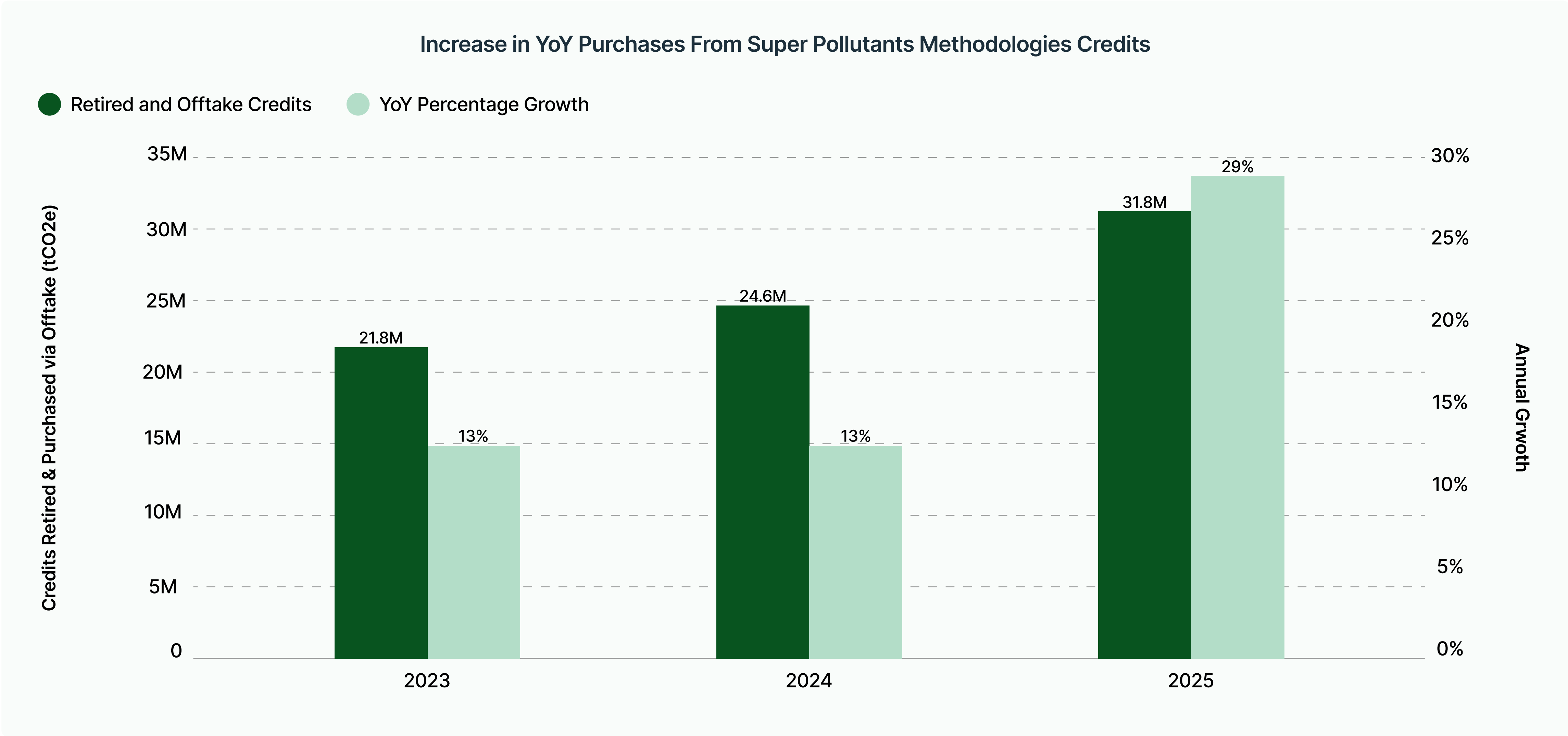


Oversupply Still a Problem Even as Growth Slows

Oversupply in the VCM
(CHART EXCLUDES CDM CREDITS)

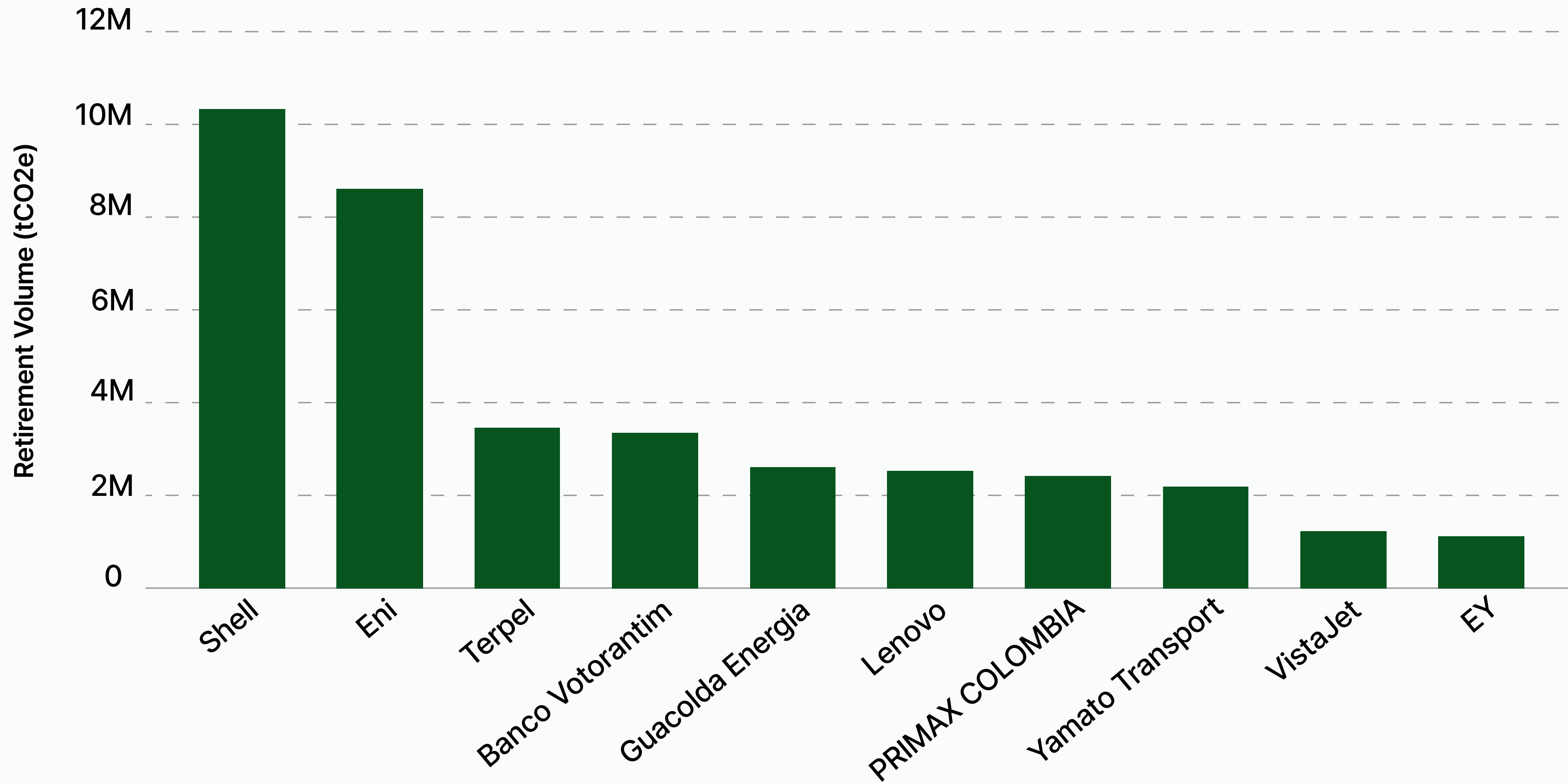


2025 Sees a 29% Increase in YoY Super Pollutant Retirements and Offtakes



Top 10 Buyers in the Market

Top 2025 Buyers by Retirement Volume

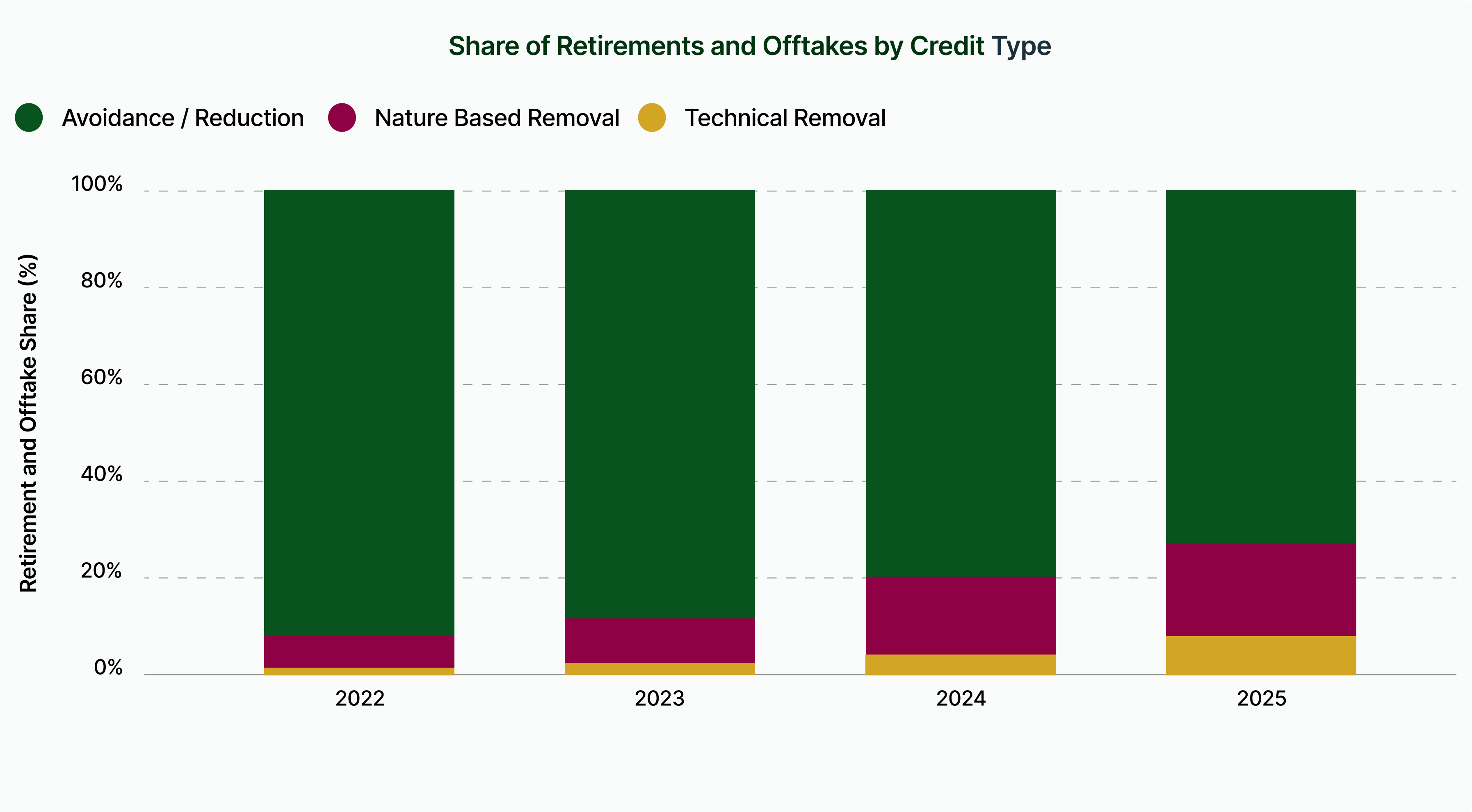


Shell emerged as the top company by retirements for the third year in a row, with over 10 million credits retired in 2025.

This was closely followed by Eni, with over 8 million retirements in the year. More than 5 million of Eni's retirements were purchased to cover its own upstream GHG emissions (Scope 1 and 2), in line with their 2024 Decarbonization Strategy. Much of the remainder was transacted in relation to natural gas consumption by Plenitude retail customers in the same year.

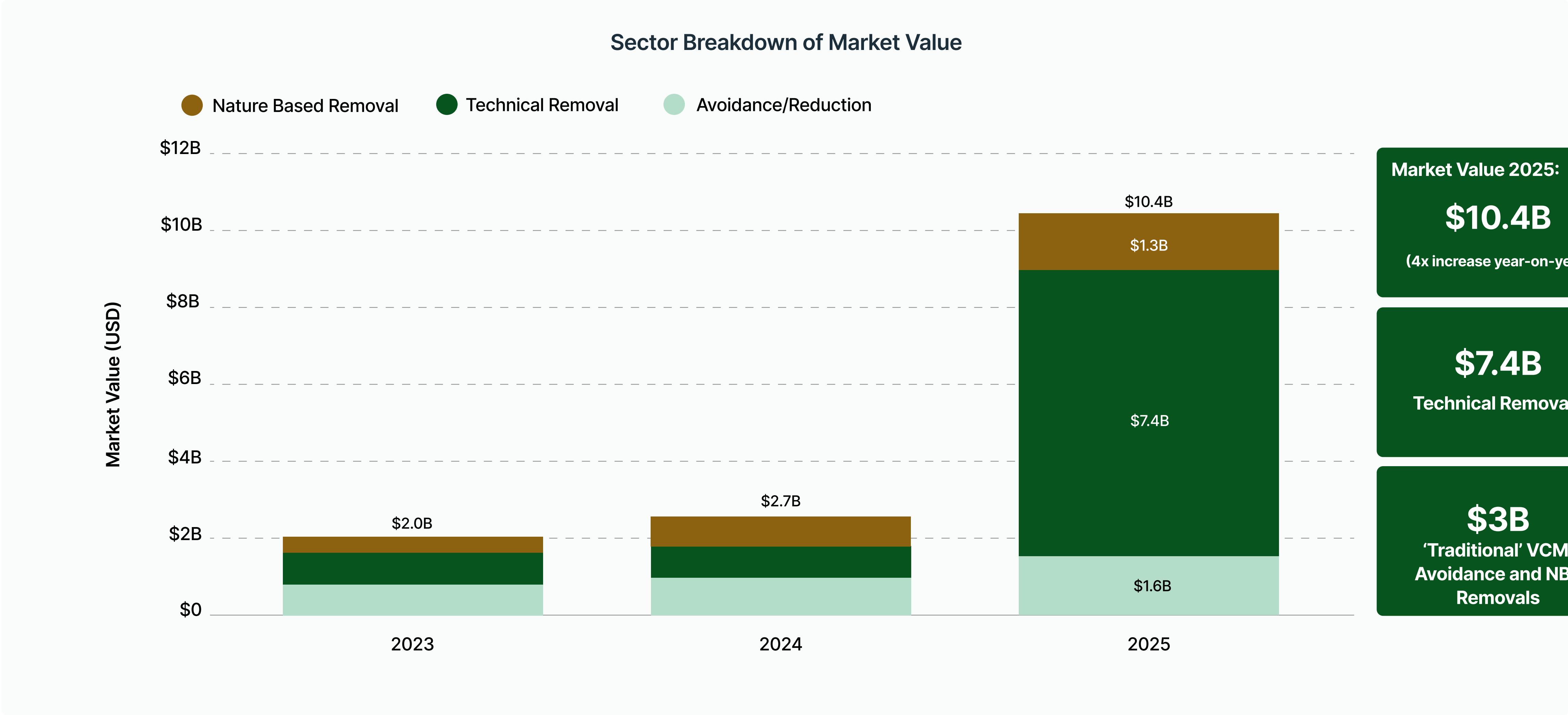
We see two national level compliance scheme buyers which retire directly from the VCM here as well: the Colombia Carbon Tax for Terpel, and Chile Green Tax for Guacolda Energía.

Rising Removals: Technical and Nature-Based Solutions

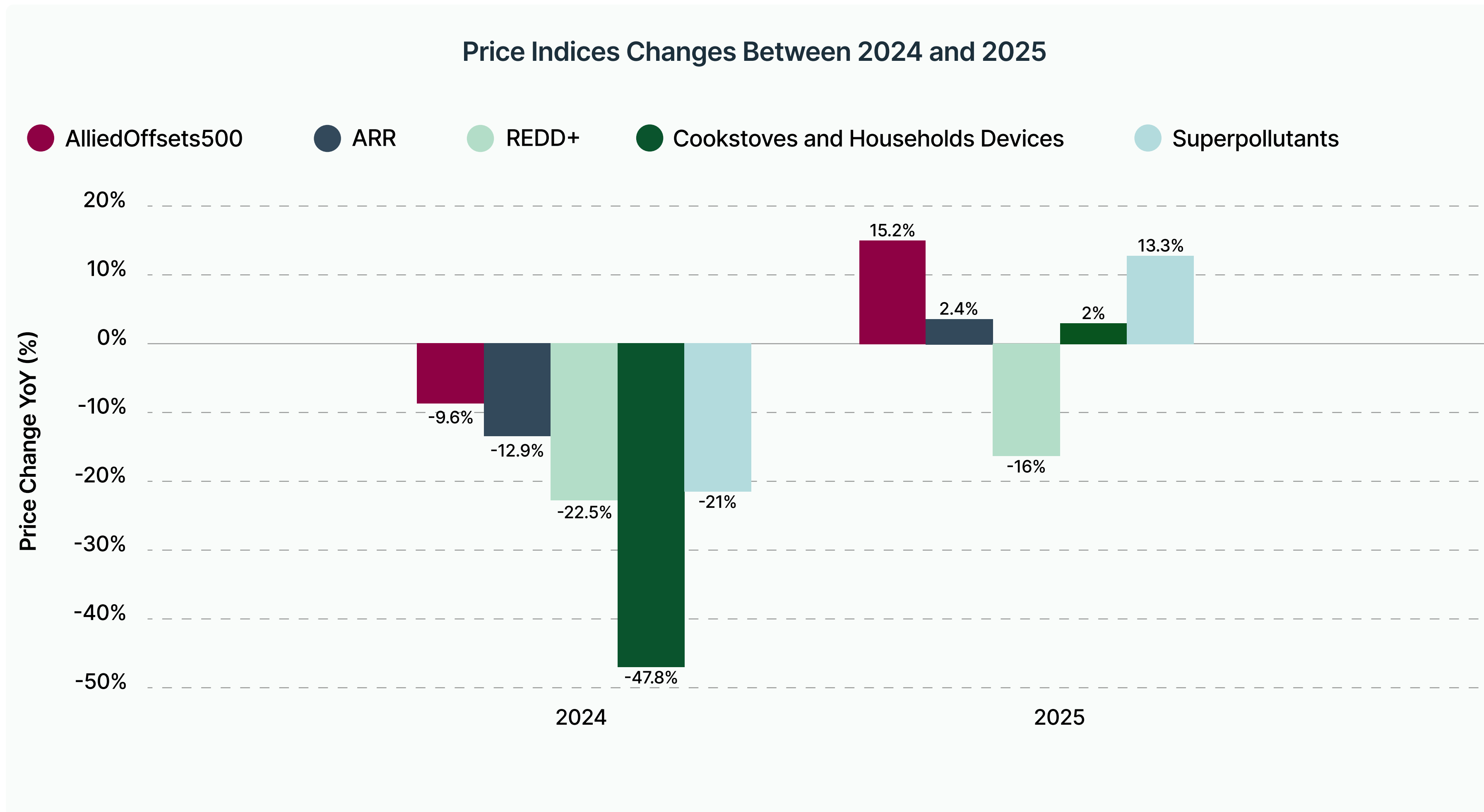


2025 continued to see the **market shift to removals credits**, with both technical and nature-based removals seeing the highest share of credits purchased via offtakes and retired.

Technical Removals Value Peaks at \$7.4B in 2025



Credit Prices For the Major AlliedOffsets Indices Rose Following a Two-Year Slump

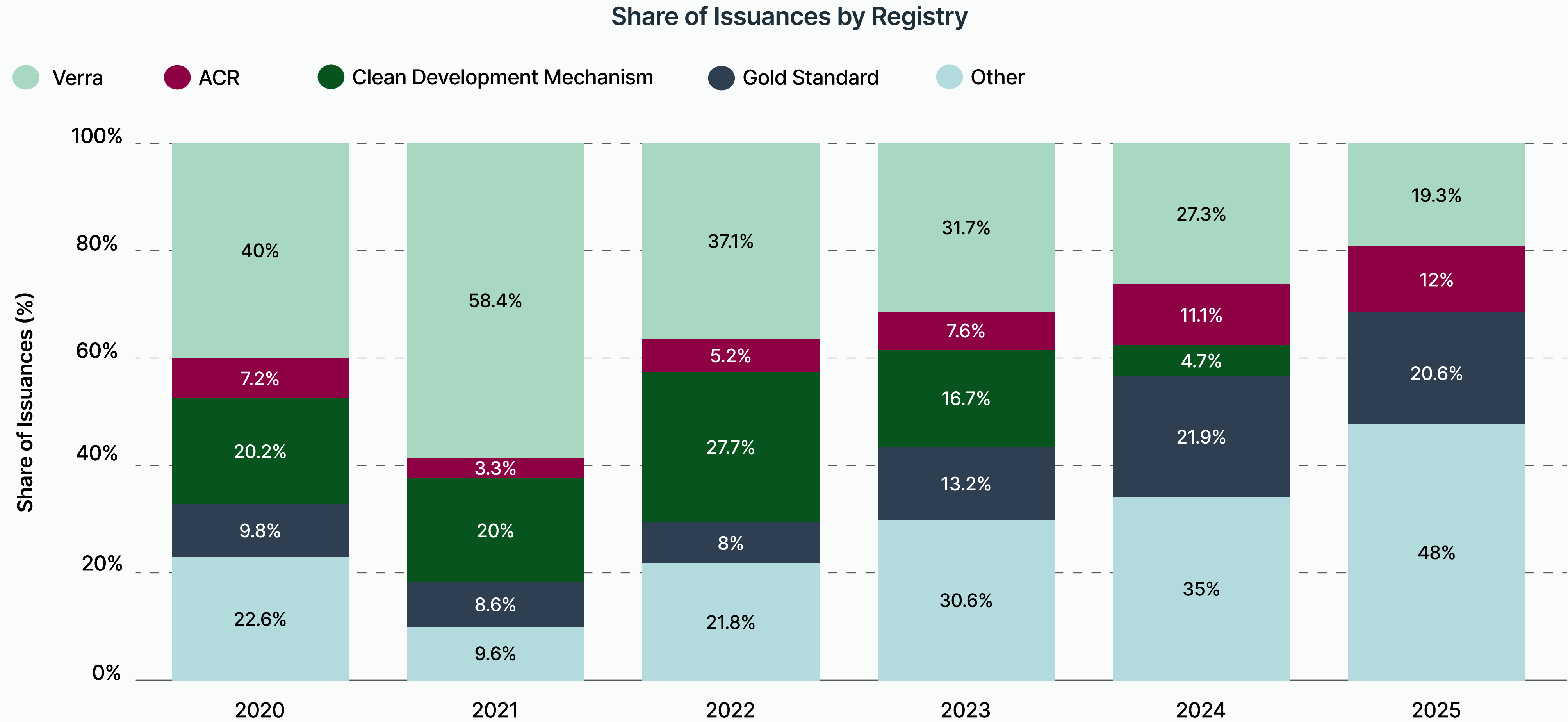


After a year of price falls across the market, 2025 has seen prices rebound for some sectors. REDD+ credits were a notable exception, with prices continuing to dip.

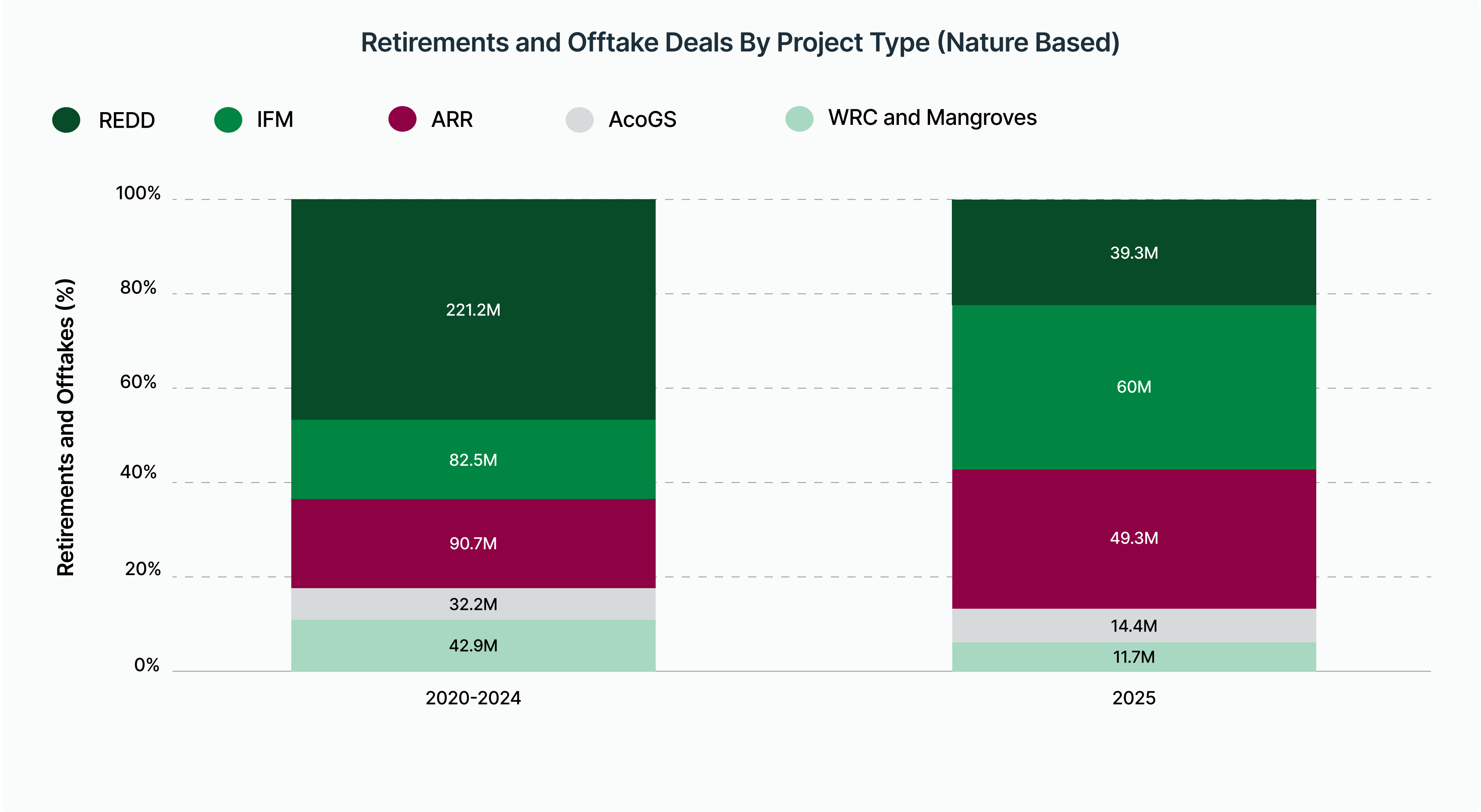
VCM in 2025: Key Trends Heading into the New Year



The Origin of Issuances Distribution is Shifting With 2025 Being the First Year With No CDM Issuances

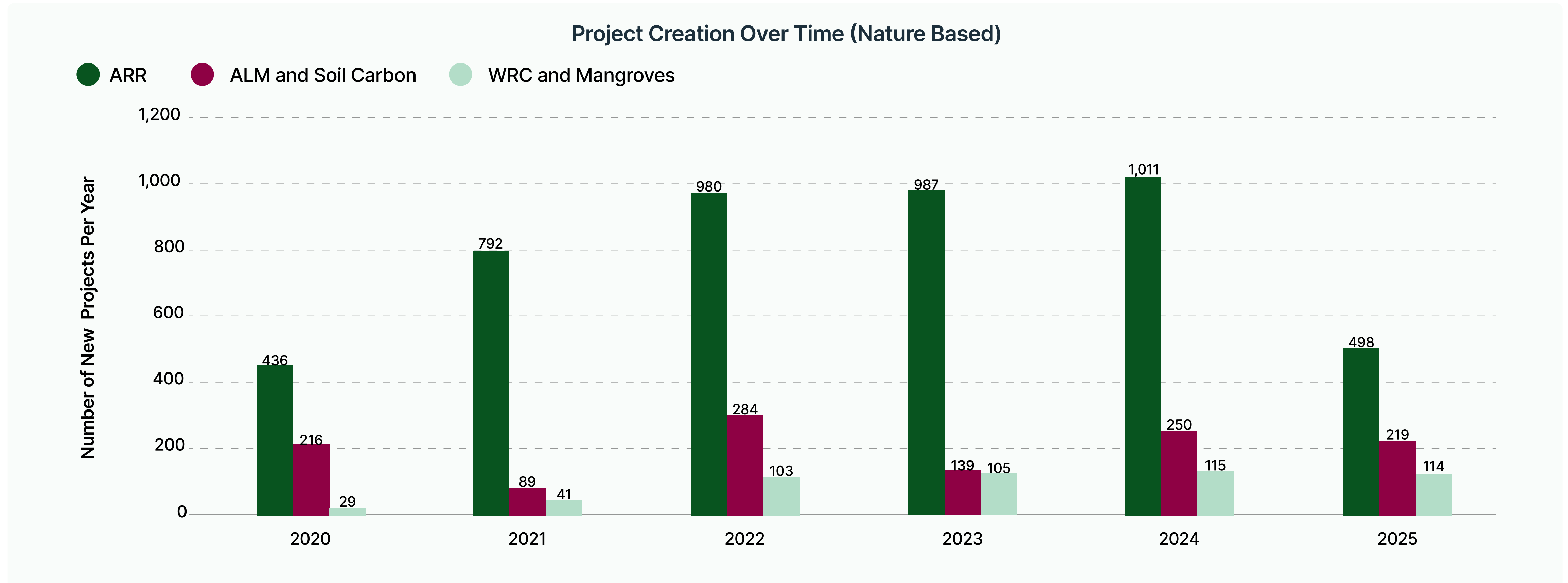


NBS: REDD Purchases Down, ARR and IFM on the Rise



Following allegations of overcrediting in 2023, buyers are reducing their exposure to REDD+ credits and shifting to ARR and IFM instead.

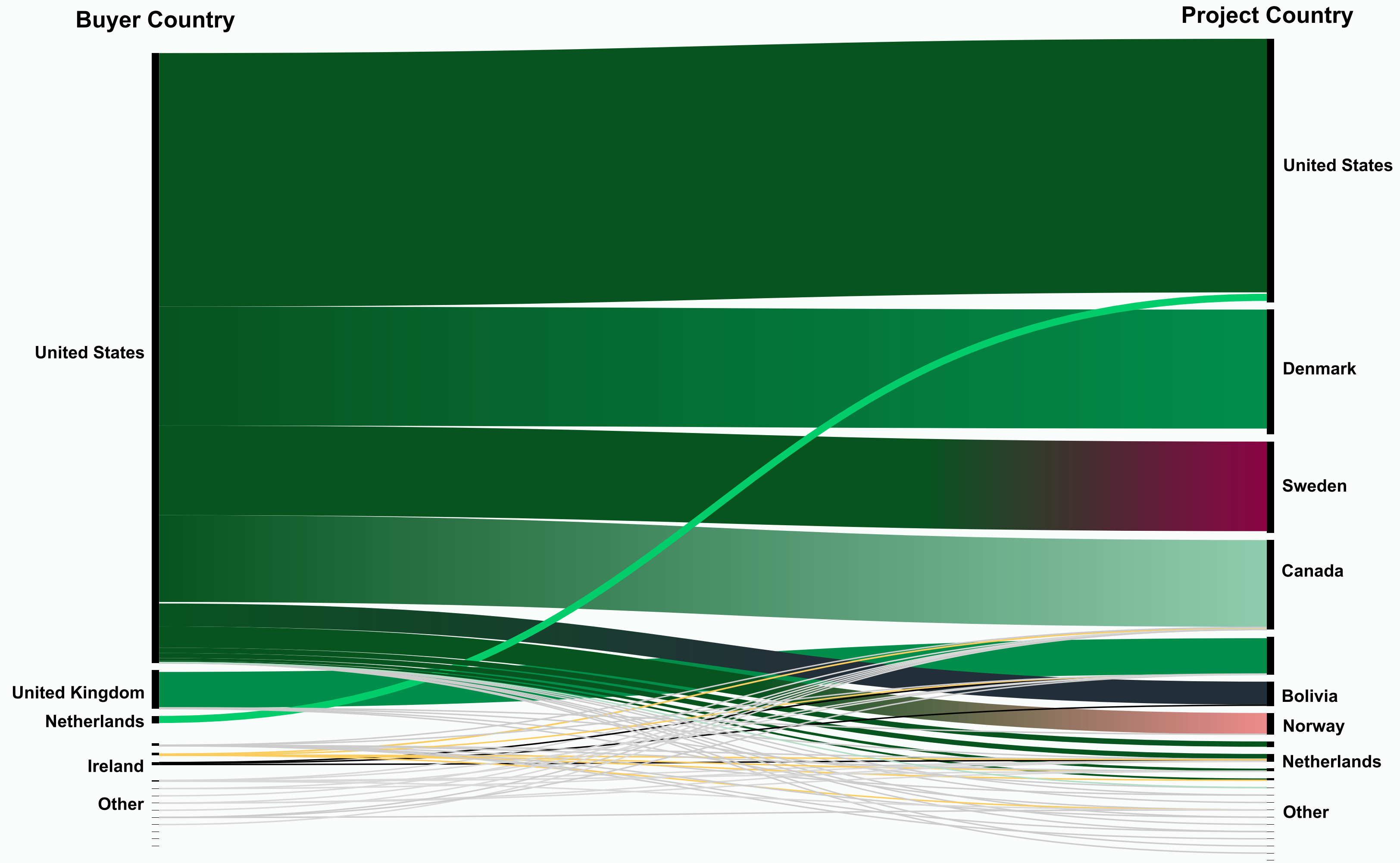
Fewer ARR Projects Started, While Mangroves and Soil Carbon Projects Remain Stable



There was a marked drop in the number of new ARR projects started in 2025 across the registries we track. This may be due to new methodologies coming online, meaning developers are now going through the feasibility study process, with an eye to launching in 2026.

US Leads the Technical CDR Market in Supply and Demand

Buyer Locations and Project Locations

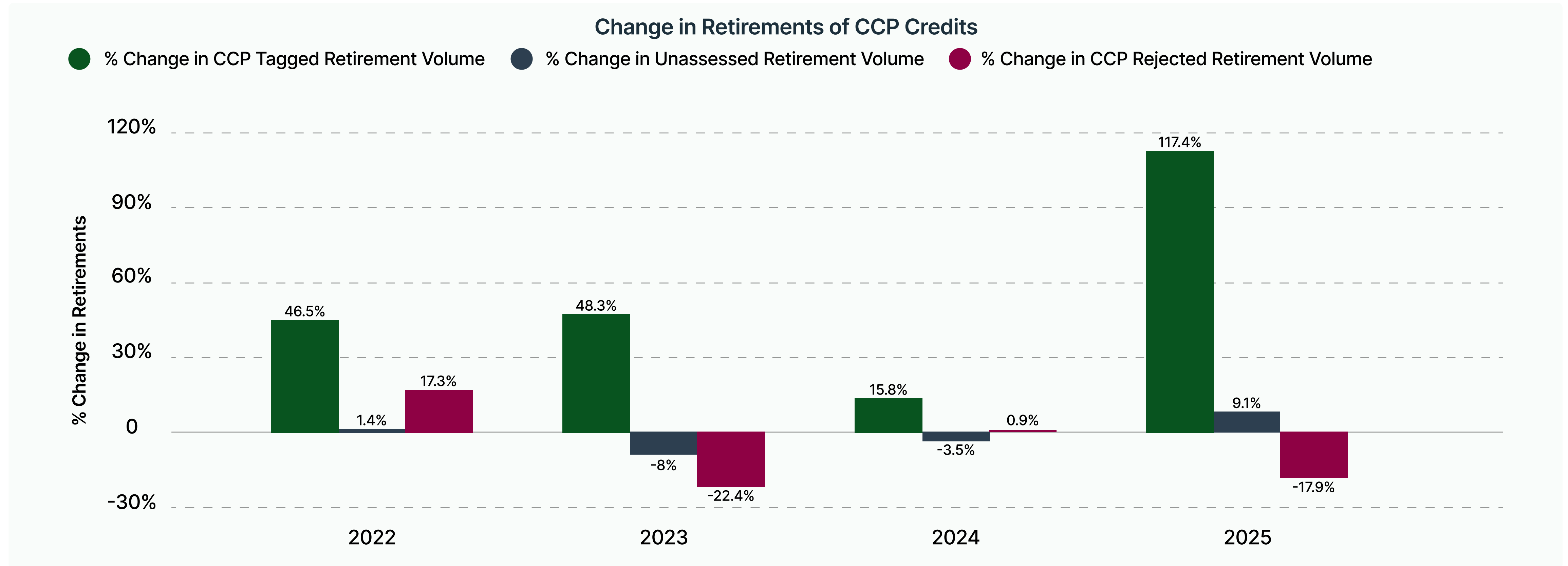


Top Buyer Countries: United States, UK, Netherlands, Canada

Top Supplier Countries: US, Denmark, Sweden, Canada, UK, Bolivia

The US dominates the CDR market, both historically and today in terms of supply and demand, despite policy rollbacks under the Trump administration.

CCP Retirements Rates Have Increased by Over 100% Since 2024



2025 saw the ICVCM make a number of decisions on which methodologies qualify for CCP tagging. The number of retirements from CCP-tagged methodologies **grew by over 100% over the year, while those that were rejected fell by nearly 20%.**

CORSIA EEU's Demand Projections in Light of New Sector Growth Factor

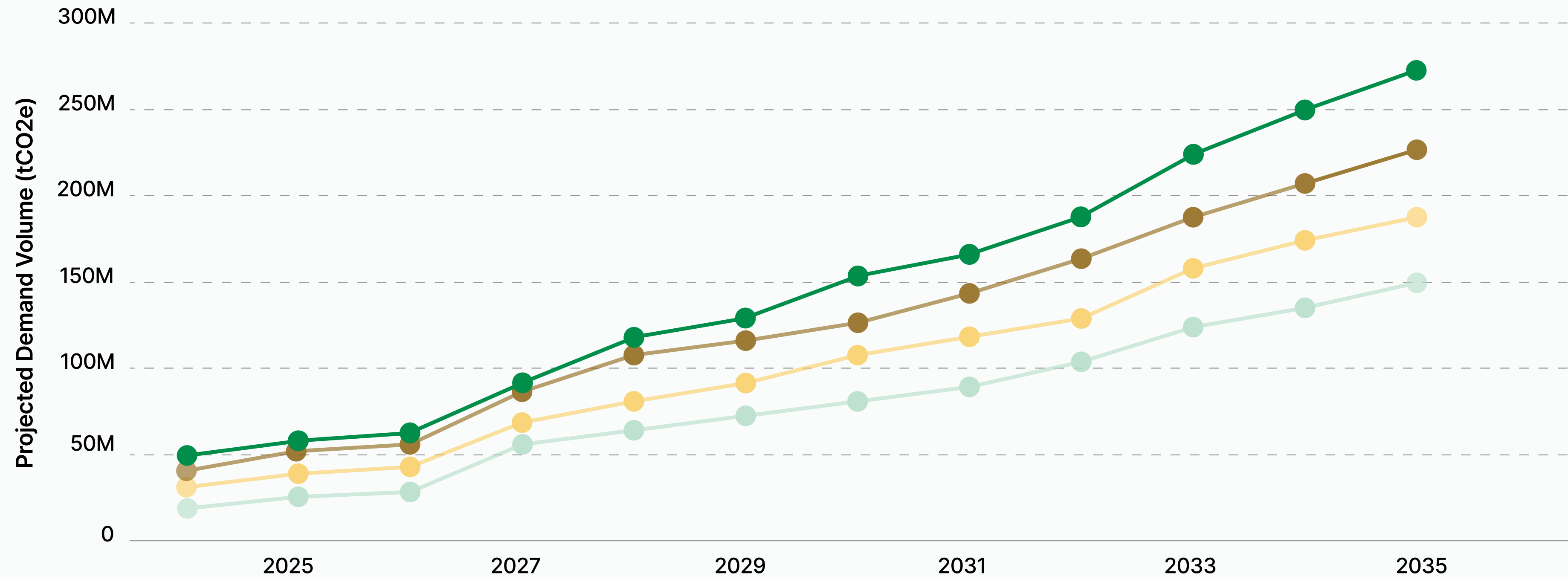
49.6M

increase in demand for EEU's according to the current SGF compared to the previous high scenario projections.

With the latest SGF, ICAO is setting total demand for CORSIA Phase 1 EEU's ~50 million above the high scenario demand that it projected in early 2024.

Forecasted Demand Based on ICAO's Emissions Scenarios and Published SGF

● Demand (High Scenario) ● Demand (Medium Scenario) ● Demand (Low scenario) ● Demand (Based on SGF published in December 2025)



Mario Ramos
Senior Carbon Trader

StoneX[®]

*“2025 has been a challenging year overall as the **VCM continues to be a buyers’ market**. However, we’re starting to see demand increase from end corporate buyers which has led to a moderate uptrend in pricing for both carbon and renewable energy. This uptrend can be partly explained due to more overlap between voluntary and compliance schemes.*

Overall, I am eager to see how 2026 will develop, hoping liquidity increases and regulatory authorities provide clear guidelines will help market sentiment stabilize and return to previous levels.”

Understanding VCM Corporate Buyers: Trends and Drivers



Despite a 100m Increase in Retirements and Offtakes vs. 2024, Number of Unique Buyers in VCM Stays Flat

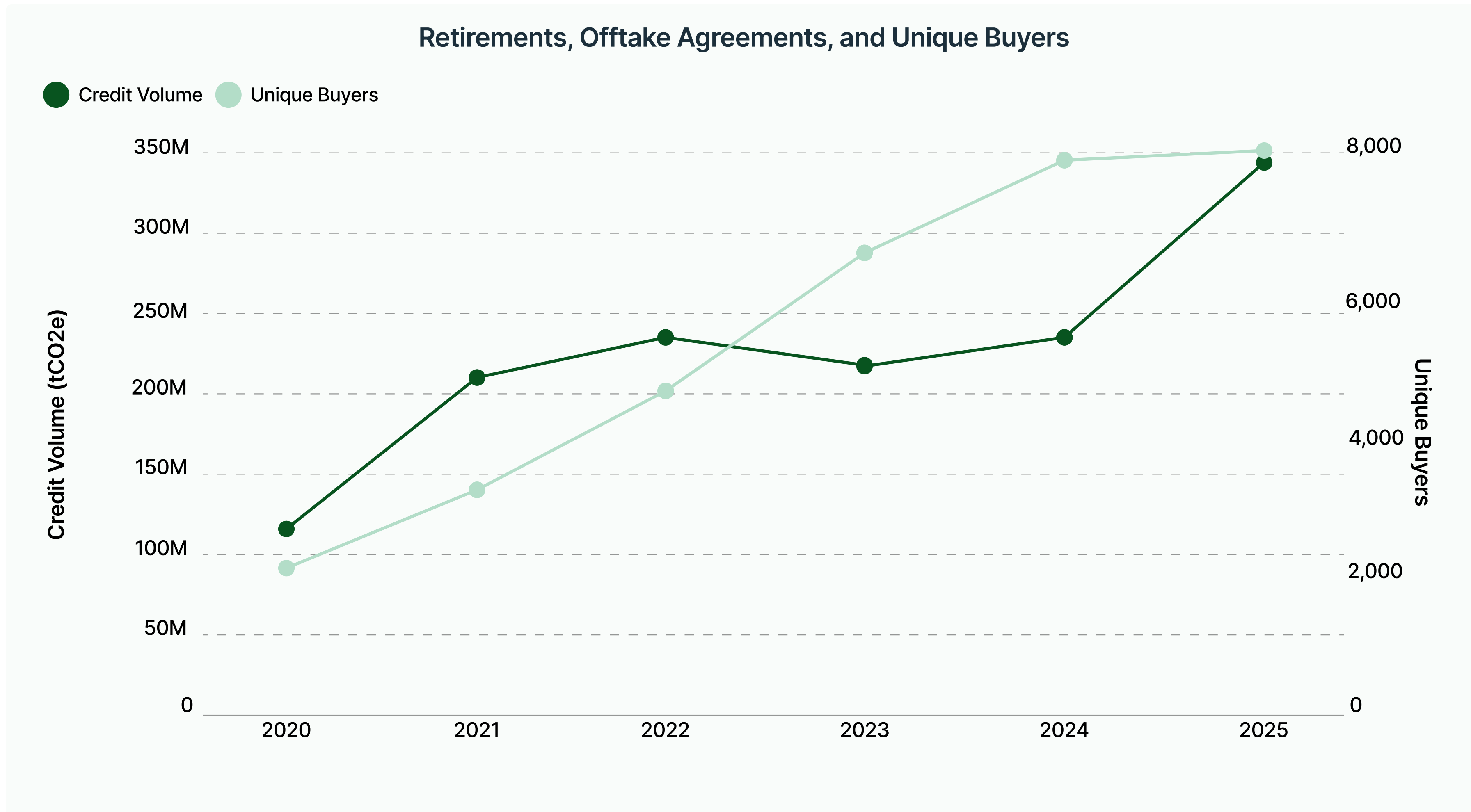
8,029

Unique Buyers in 2025

Total Retirements and Offtakes: 344+ million in 2025 (excluding registry cancellations).

The number of unique buyers active in the market in 2025 sits just above 8,000, which is around the same as 2024.

At the same time, the volume of retirements and credits sold via offtake has increased by around 100 million from 2024, driven by 260% growth in offtake deals announced.



Forestry and Land Use and Renewable Energy Projects Dominate On-Registry Retirements and Offtakes in 2025

		Project Sector					
		Forestry and Land Use	Renewable Energy	Chemical Processes/ Industrial Manufacturing	Waste Disposal	Household Devices	All Others
Buyer Sector	Energy	52%	13%	8%	10%	9%	8%
	Financial Services	42%	36%	6%	<1%	3%	12%
	Technology and Telecommunication	55%	<1%	3%	<1%	<1%	40%
	Professional Services Firms	51%	6%	19%	10%	3%	11%
	Industrials and Manufacturing	10%	55%	28%	<1%	<1%	5%
	Aviation	32%	40%	14%	7%	4%	3%
	Consumer Goods	28%	30%	14%	11%	9%	8%
	Ground and Maritime Transportation	3%	73%	12%	3%	1%	8%
	All Others	48%	25%	5%	6%	6%	10%

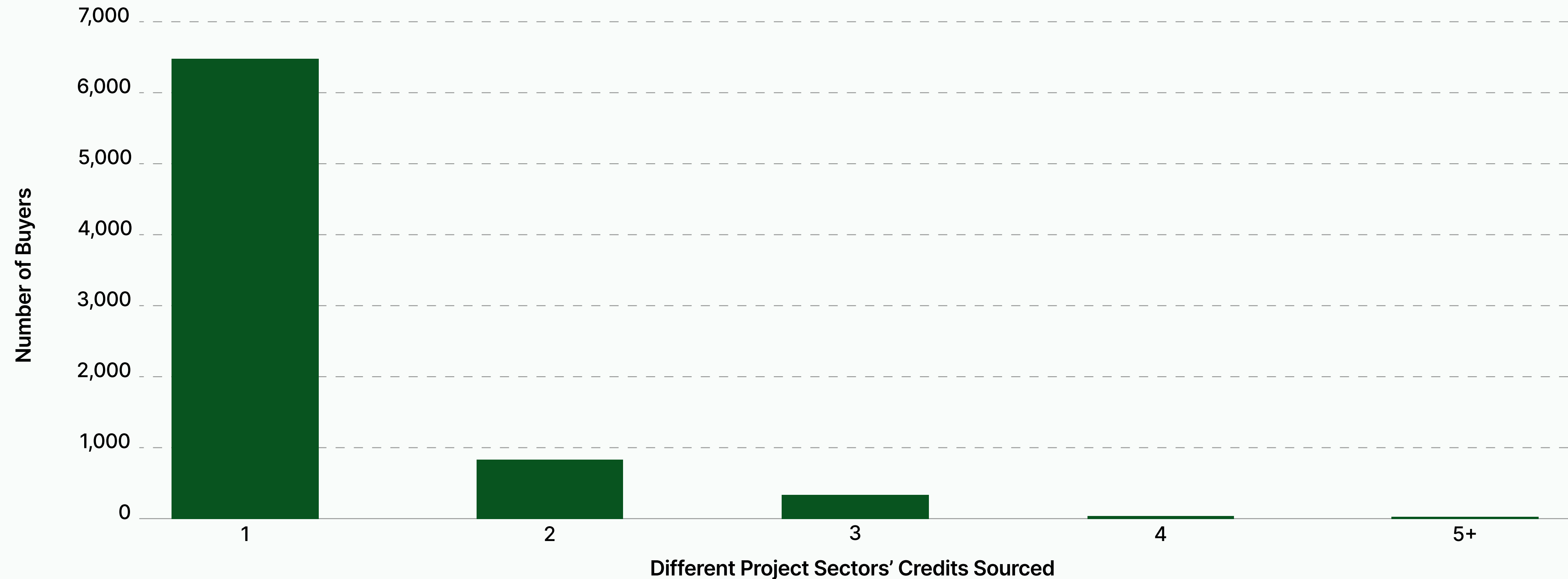
*THE DATA IN THE TABLE HAS BEEN ROUNDED TO THE NEAREST PERCENTAGE

Across the top buyers, transactions are largely concentrated in a single preferred project sector. Forestry and Land Use and Renewable Energy continue to dominate, consistent with previous years. This is largely driven by their higher availability and more accessible pricing. Consumer Goods is the main exception, showing a more balanced spread across these sectors and Chemical Processes. A notable outlier is Technology and Telecommunication, among which Renewable Energy is not represented at all - instead, the second most purchased sector is BECCS, which falls under "All Others". This is a continuation of its move away from lower cost and less additional credits, as RE only made up about 4% of its transactions last year.

84% of Buyers Retiring Credits Are Purchasing From Only One Project Type

Average Number of Project Types by Buyer

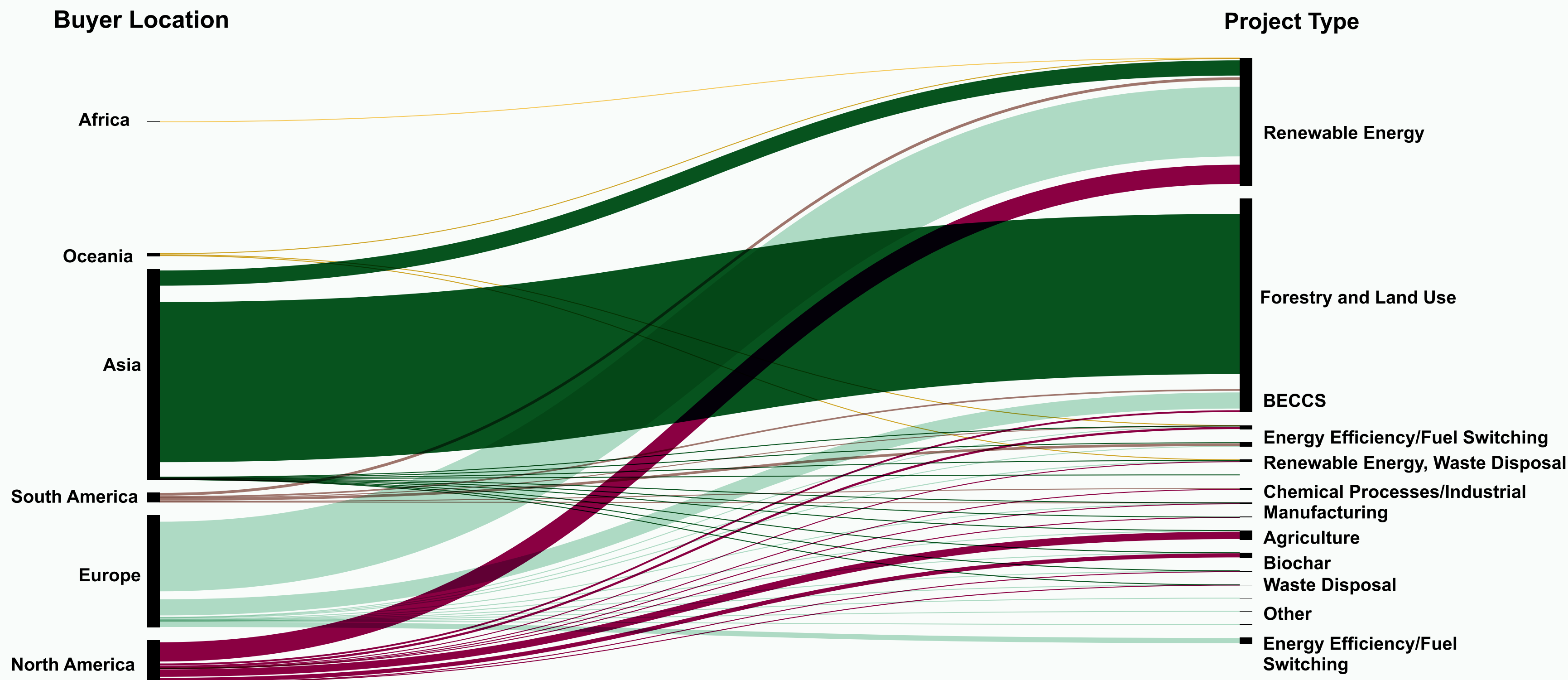
● Number of buyers



84% of buyers retiring credits are purchasing from only one project type; for offtakes, the number is higher at 85%. This is similar to 2024 numbers.

A Surge of First Time Buyers From Asia

First-time Buyers in 2025 by Buyer Location & Project Type



First-time buyers are emerging from Asia, led by Chinese firms. Tencent stands out as the single largest Chinese buyer, with major forward offtake agreements signed this year with Catona Climate and Temasek.

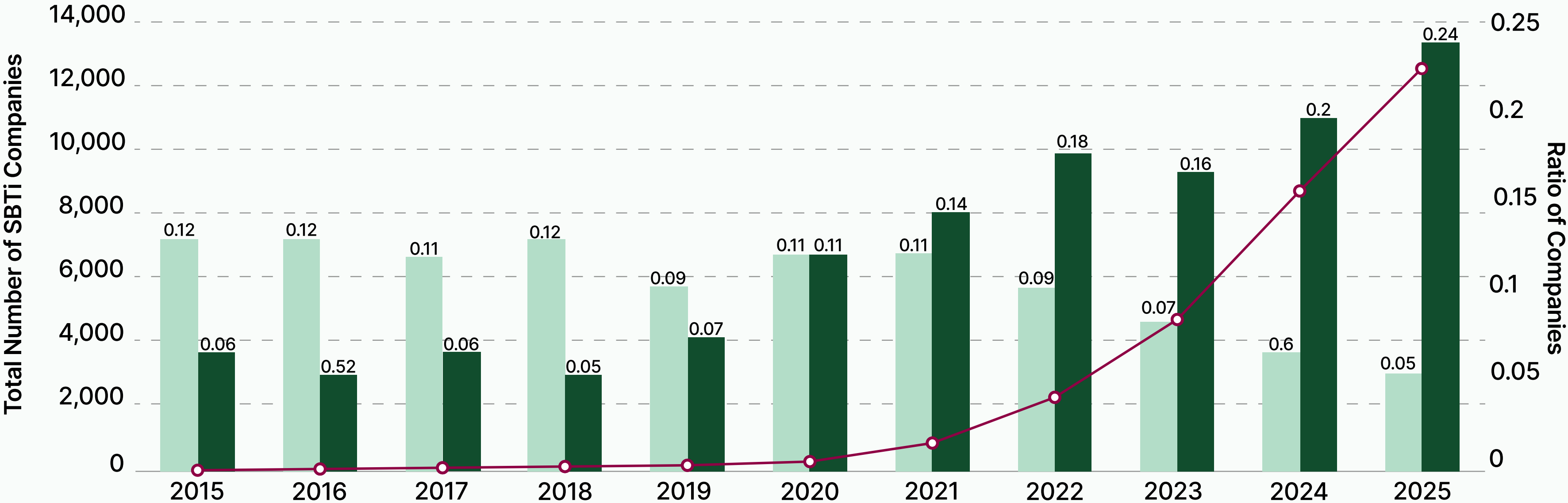
In Europe, German manufacturer Hörmann is the leading new entrant into the VCM in 2025. Notably, Swedish real estate firm Wihlborgs became a first-time buyer by directly entering a major BECCS deal, signing a 10-year agreement with municipal energy company Öresundskraft covering 10,000 tCO₂ per year and setting an internal carbon price of SEK 1,000/ton (~\$105/ton). See further commentary from **Stockholm Exergi** (p.48) for more details on the emerging demand from real estate firms in Sweden.

In other words, Asia and Europe are both markets to watch for accelerating demand in 2026.

Activity From SBTi-Committed Buyers

SBTi-Committed Buyers vs. Retirements 2025

● Total number of SBTi companies ● SBTi buyers as a ratio of total buyers ● Retirements by SBTi companies as a ratio of total retirements



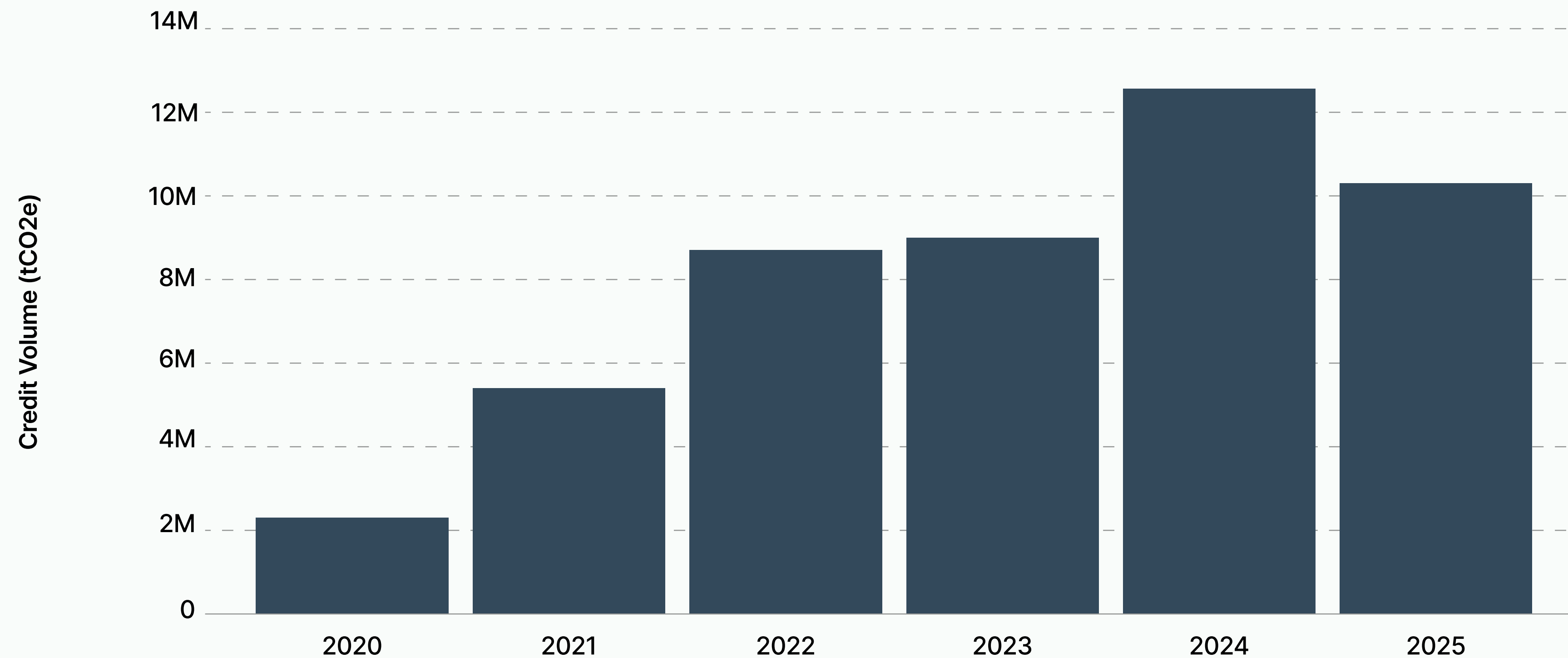
Retirements by SBTi companies, as a proportion of total retirements, has risen to its all time high of 23% in 2025.

VCM activity from SBTi companies is expected to rise as the second draft of the Corporate Net-Zero Standard V2.0 (November) formally recognizes the use of carbon credits to address “ongoing emission responsibility.

This represents a major shift for SBTi and a potentially significant source of demand for the VCM, given the number and corporate stature of SBTi signatories.

Attribution of Carbon Credit Retirements to Emissions Scopes is Not Increasing as Expected

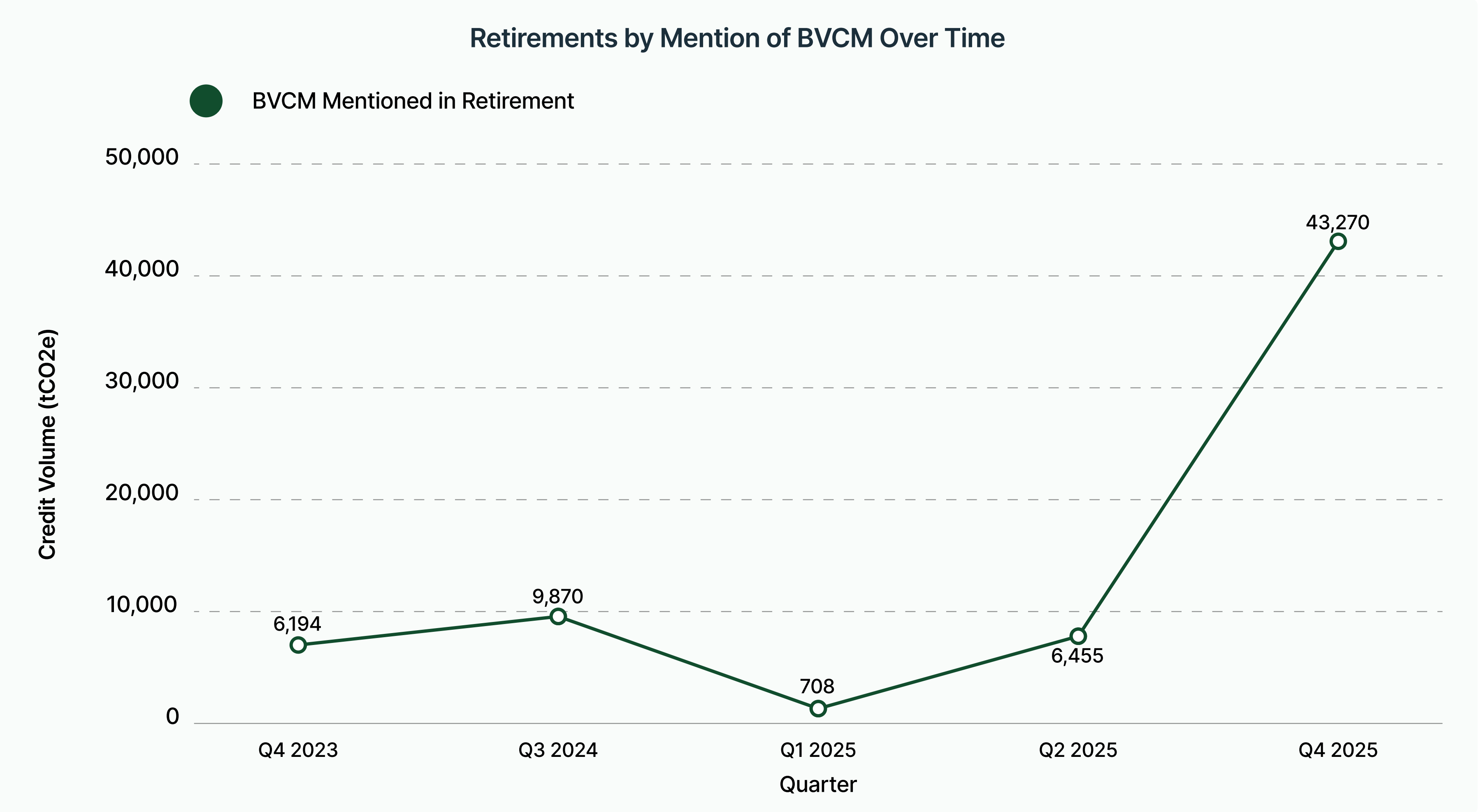
Total retirement volumes for transactions mentioning Scope 1, 2 or 3, 2020-2025



The volume of retirements mentioning “scope” in retirement details have remained in the same range as previous years, with Eni (also seen in the top buyer slide) the largest offsetter in both 2024 and 2025.

Our further analysis by individual scope 1, 2 and 3 claims revealed retirements for scope 3 alone for the first time, while scope 2 retirements actually fell to their lowest levels in four years.

Beyond Value Chain Mitigation Gaining Traction

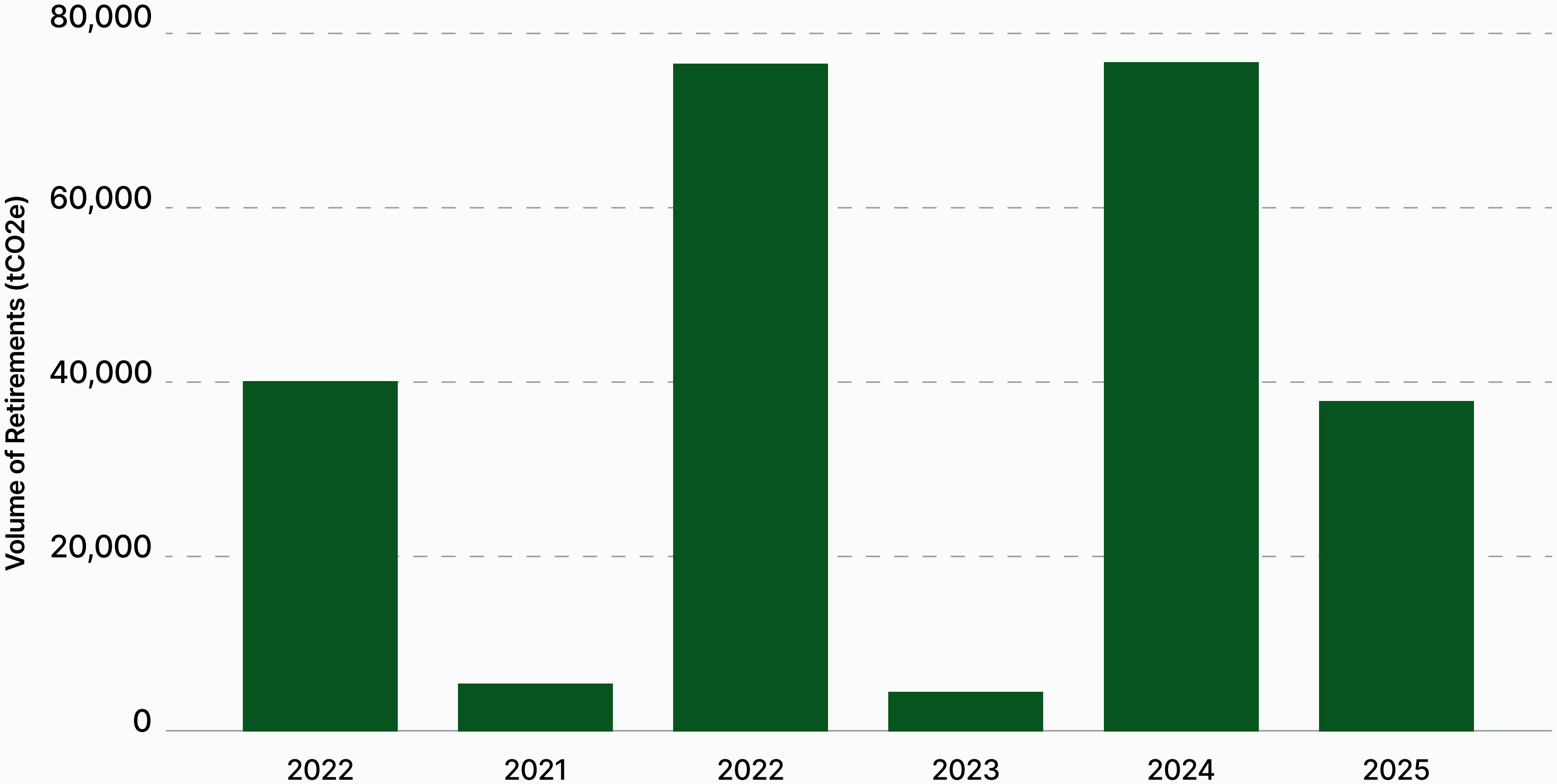


Retirement claims pertaining to BVCM have undergone record jumps both between the years and within 2025 alone, but it still accounts for a minute fraction of overall retirements.

The term BVCM is clearly becoming more well known, even though the SBTi has been moving away from the term since March, but many of the retirements mentioning the term took place after this. We would expect there to be a lag as the market catches up with news and understanding of this, especially as the formal guidance for it was only released in 2023.

Data Center Growth is Not Yet Reflected in Carbon Credit Retirements

Retirements Mentioning Data Centers Over Time



Despite rapid growth in compute-intensive technologies and the resulting expansion of data centers and electricity demand, relatively few carbon credit retirements are explicitly linked to data center activity.

The earliest recorded retirements associated with data centers date back to 2020, with early engagement from companies such as ITC Limited and IHS Markit. Based on our estimates, at least 300 companies active in the voluntary carbon market over the past five years are likely data center users, suggesting a significant attribution and disclosure gap rather than a lack of underlying exposure.

Jess Goh

*Head of Carbon Solutions,
GoNetZero™*



How do GoNetZero's clients typically approach the decision to retire carbon credits – and have you seen any shifts in that behaviour over the past year?

The decision to purchase and retire carbon credits is generally taken within the context of broader climate strategies rather than as a standalone initiative. We aim to understand our customers' motivations by looking at their overall net-zero plans, internal and external commitments, and the value they assign to decarbonisation investments. These considerations vary by organisation size, sector, and operational complexity. While there are still barriers, such as the perception of offsets as a sunk cost, carbon credits continue to be used as part of wider decarbonisation strategies, though uptake remains uneven.

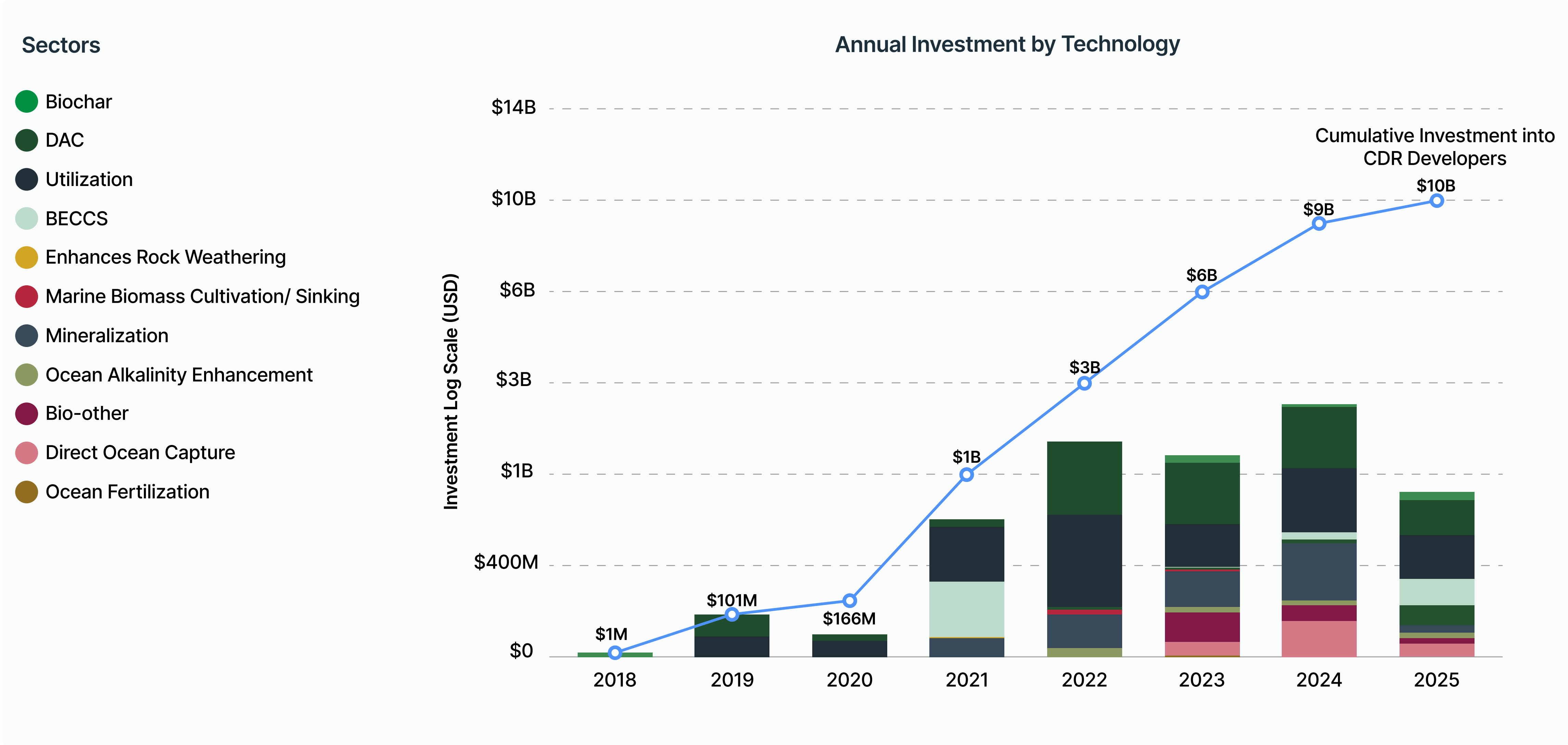
Are clients becoming more discerning in terms of project types or geographies when choosing carbon credits for retirement?

Mature buyers are showing a clear shift towards removals or nature-based solutions and away from avoidance projects. They are prioritising projects that align with recognised risk management practices, and some are willing to pay higher prices for these attributes. Methodologies such as Afforestation, Reforestation, and Revegetation (ARR) as well as Improved Forest Management (IFM) have seen increased attention. Geographical preferences are also becoming more relevant, with growing interest in locally-issued credits. In addition, buyers are increasingly using independent ratings as an indication of project quality – regardless of whether the project is an avoidance or removal type. However, supply constraints remain, and meeting projected domestic demand may be challenging as compliance and voluntary systems continue to converge.

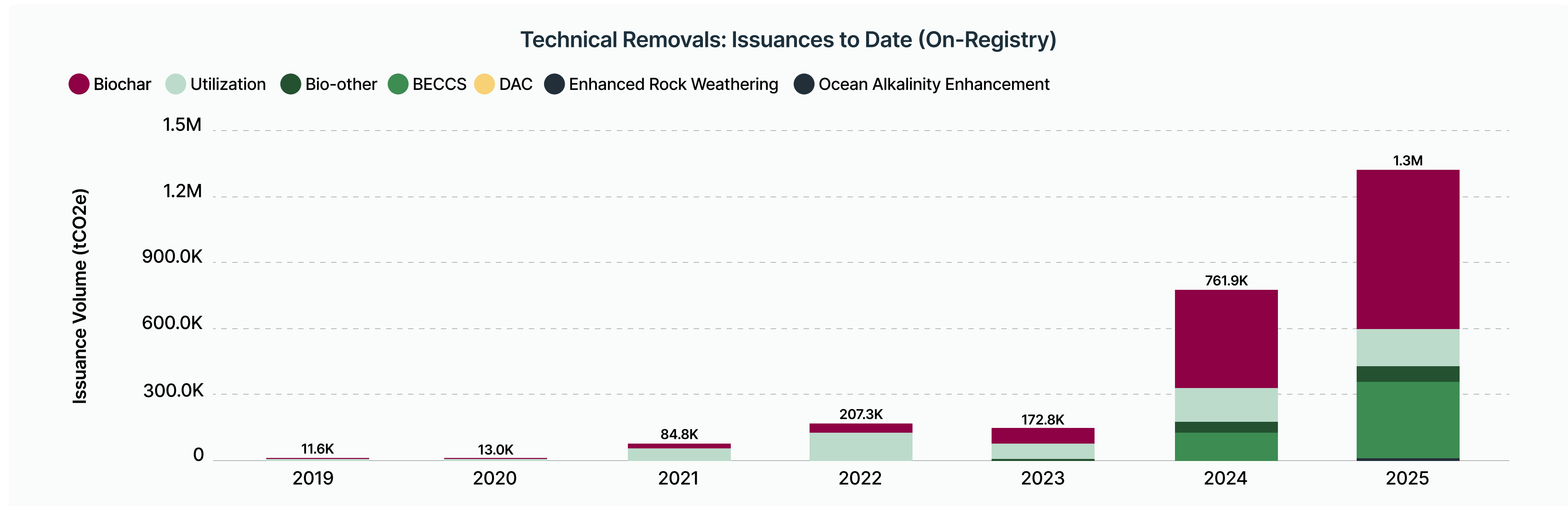
Technical Removal Market Insights and Trends from 2025



Investment in Technical Carbon Removals Falls 64% in 2025

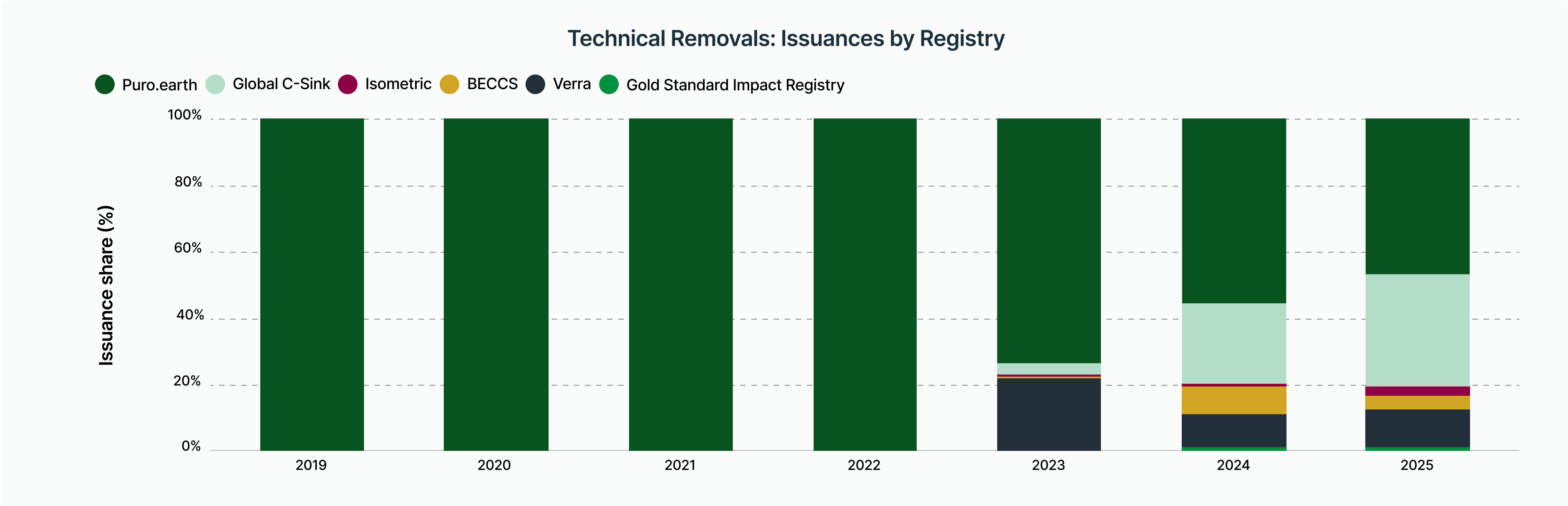


Technical Removal Issuances Reach All-Time High, Driven by Biochar



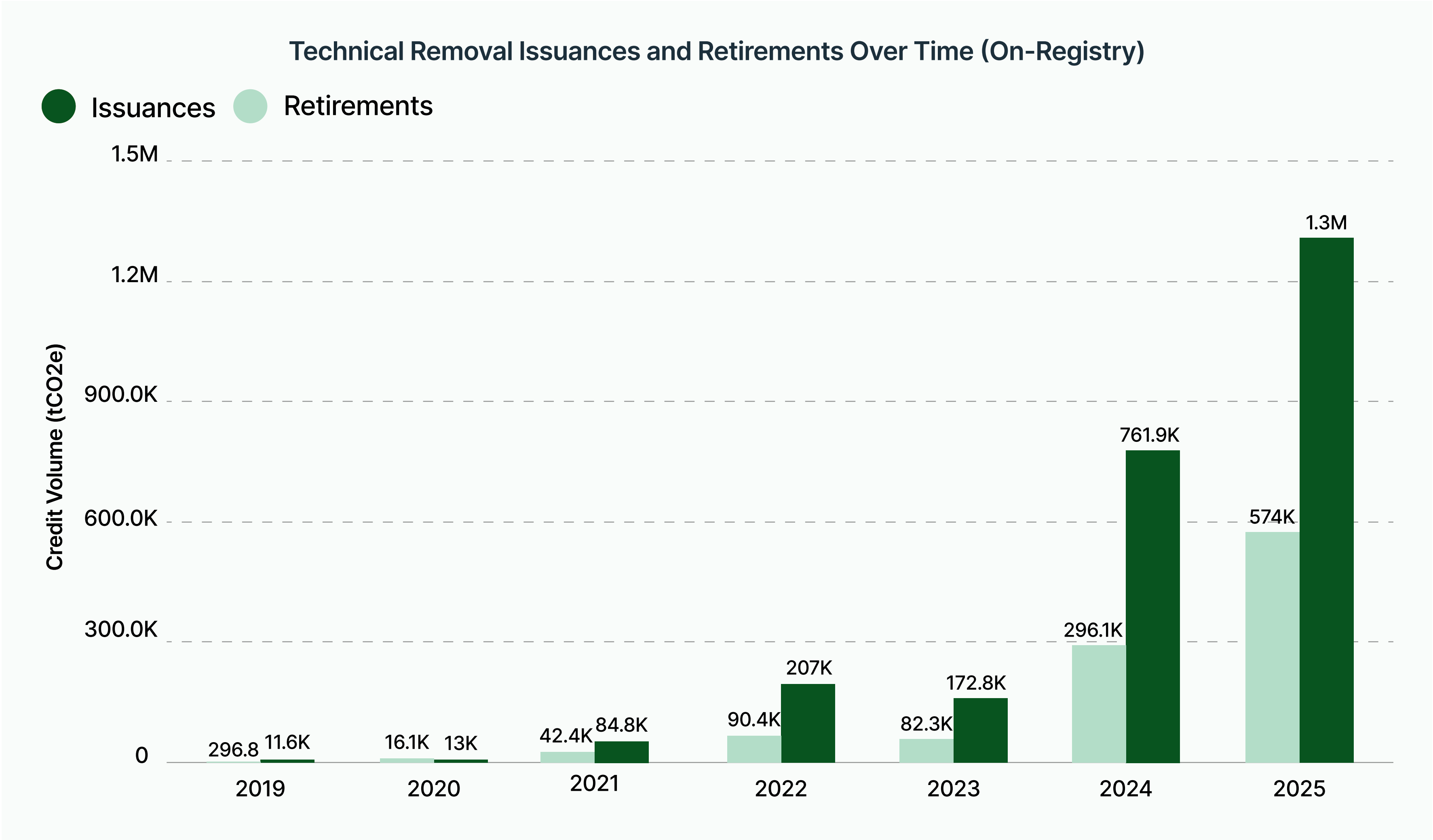
Issuance volumes reached an all-time high, driven primarily by biochar, utilization, bio-other, and BECCS, highlighting the continued dominance of biomass-based CDR. The number of issuances increased by 85% vs. 2024, with an average annual growth rate of 119% since 2019.

On-Registry Technical Removal Issuances Increased by 76% in 2025



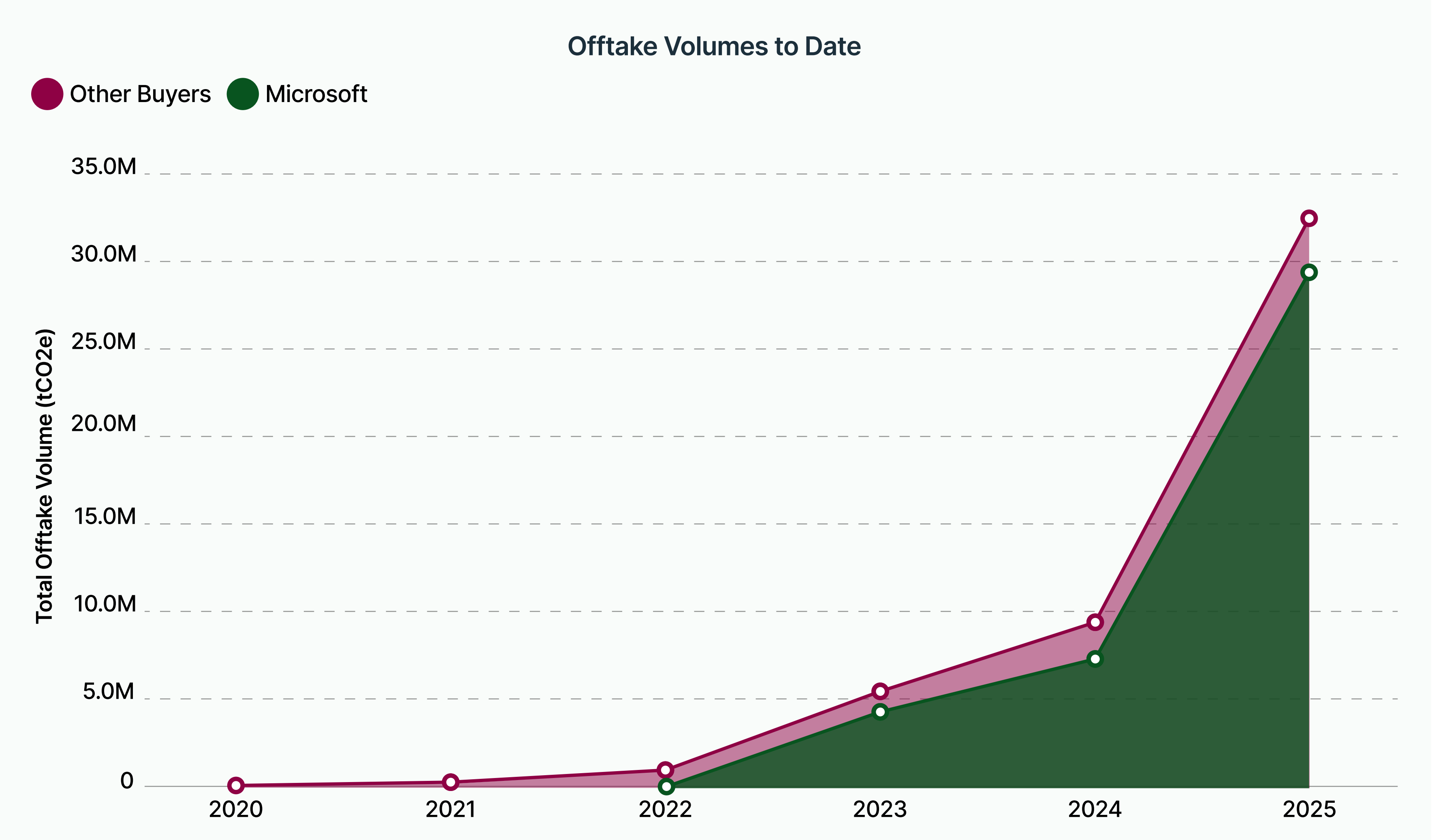
Registries are expanding, with a growing number now issuing CDR credits. Puro.earth continues to lead the market, while Global C-Sink has emerged as the second-largest registry for technical CDR issuances. At the same time, the number of CDR projects listed on registries increased by 73% vs. 2024, extending a sustained growth trend that has been underway since 2019.

Technical Removals Issuances are Exceeding Retirements



Issuances have consistently exceeded retirements, indicating that the market is still in its early stages and demand has not yet fully materialized. **Developers are scaling faster than corporate demand is being converted into retirements.**

Microsoft Maintains the Top Spot



29.8M
Purchase volume - 2025

43.4M
Purchase volume (all time)

203
of unique buyers

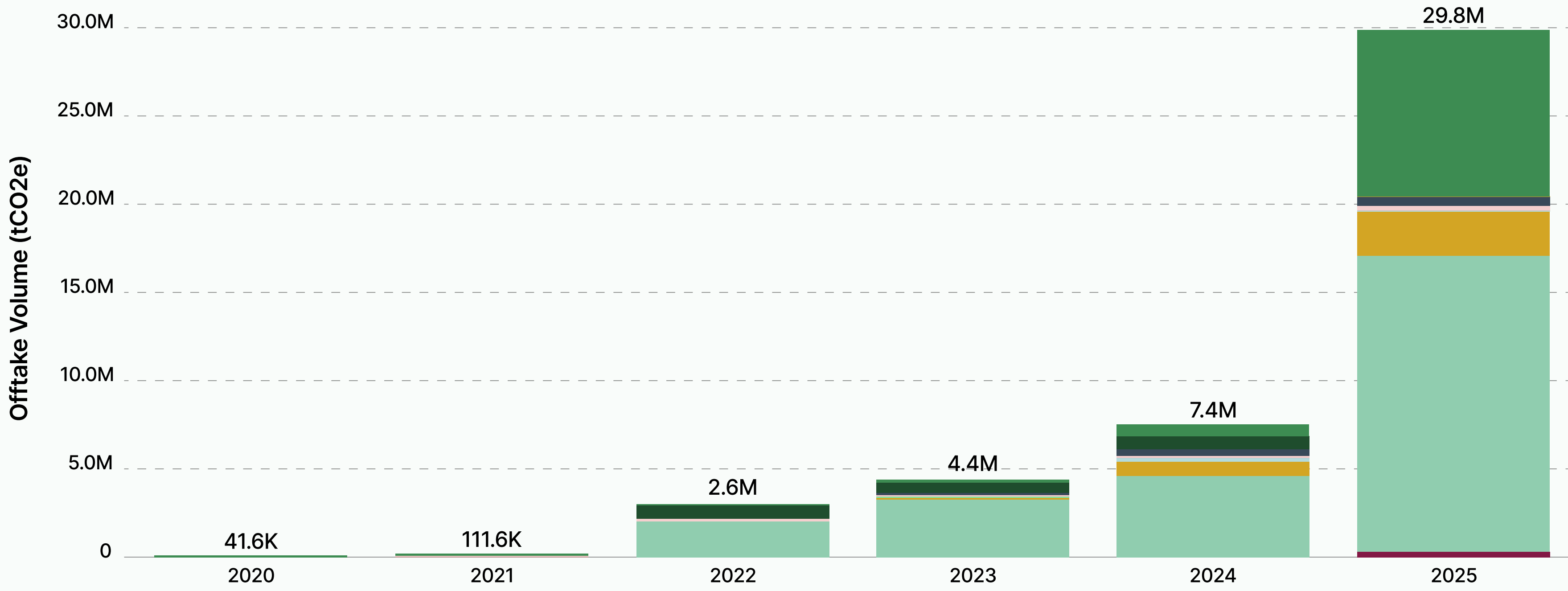
871
Total # of transactions

\$587
Average price per credit
(all time)

There Has Been a 305% Increase in Technical Offtake Deal Volume Between 2024 and 2025

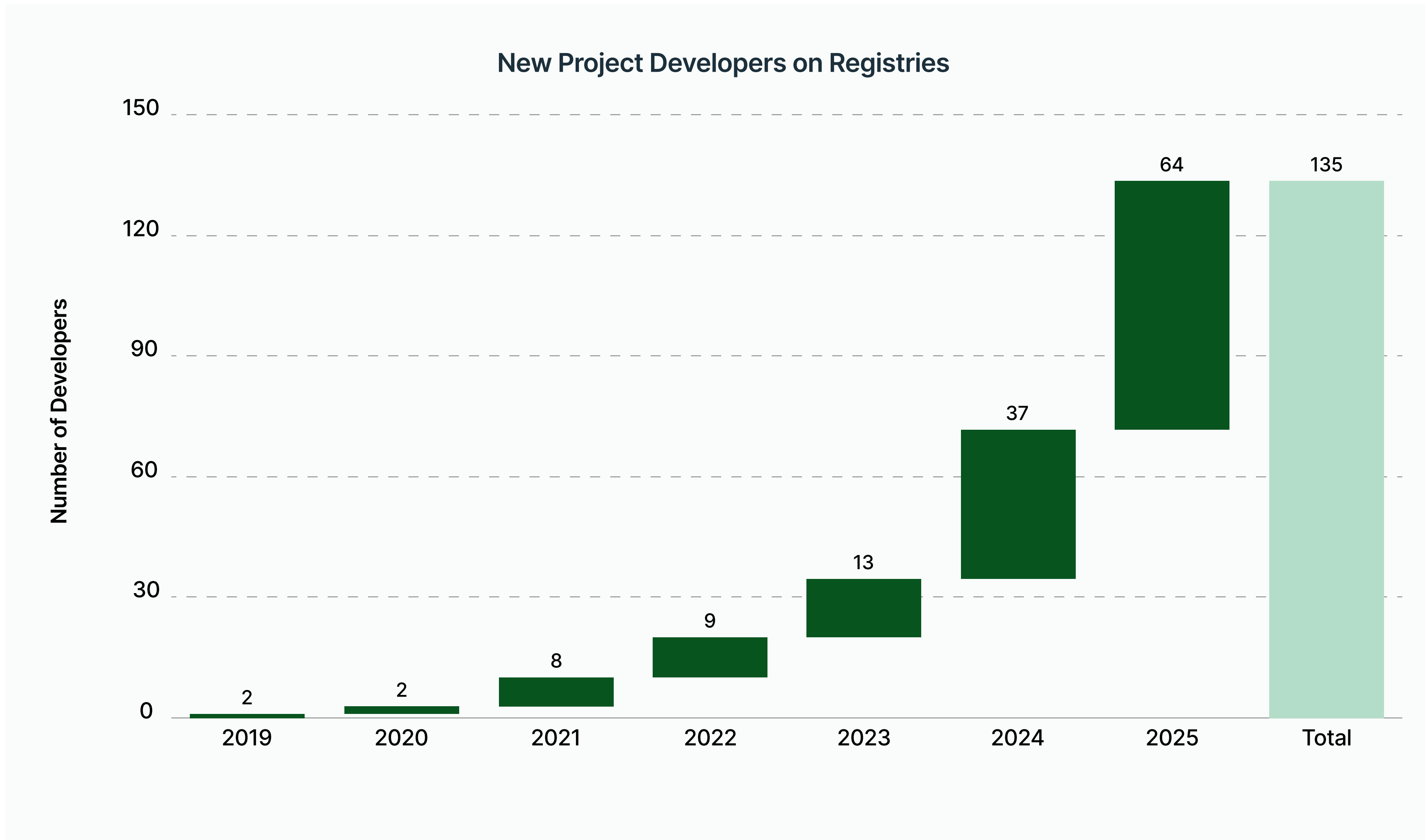
CDR Offtake Momentum by Sector

- Bio-other
- DAC
- Enhanced Rock Weathering
- Marine Biomass cultivation/sinking
- Mineralization
- Biochar
- BECCS
- Direct Ocean Capture
- Utilization
- Ocean Fertilization
- Ocean Alkalinity Enhancement



305%
increase from previous
year

Developers Move From Pilots to Verified Projects On Registries



More project developers registering their projects with a standard, indicating market maturity. This means developers are facing robust MRV on the path to issuing verified credits, rather than making promises about what they may deliver in the future.

Few Buyers Purchase Consistently, Yet Overall Volume Surges

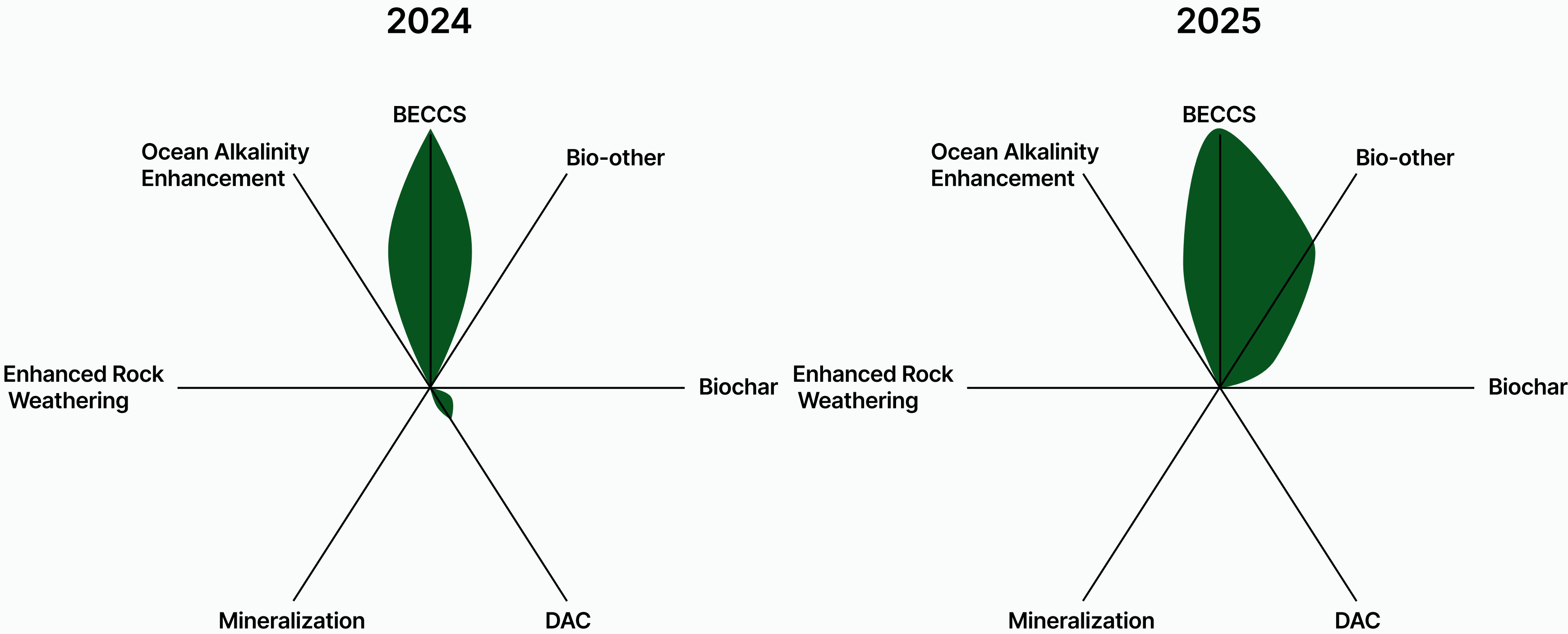
Top 10 Technical Removal Buyers						
Buyer	2025	2024	2023	2022	2021	2020
Microsoft	26,396,979	5,034,333	3,385,000	14,200	4,000	1,500
Frontier	678,454	663,952	348,969	9,409		
JP Morgan Chase	500,000		53,605			
Google	253,500	478,323	54,149			
Airbus				400,000		
Equinor		330,000				
EmitIQ	300,000					
Amazon			250,000			
SkiesFifty	200,000					
BCG		75,250	120,000			

This year, the number of individual buyers and transactions fell, but purchase volume surged by over 300%.

Of the top 10 buyers, only Microsoft and Frontier have purchased consistently since 2022. Other buyers have been more sporadic, with just one or two purchases in the past five years.

Microsoft Doubles Down on Biomass and ERW

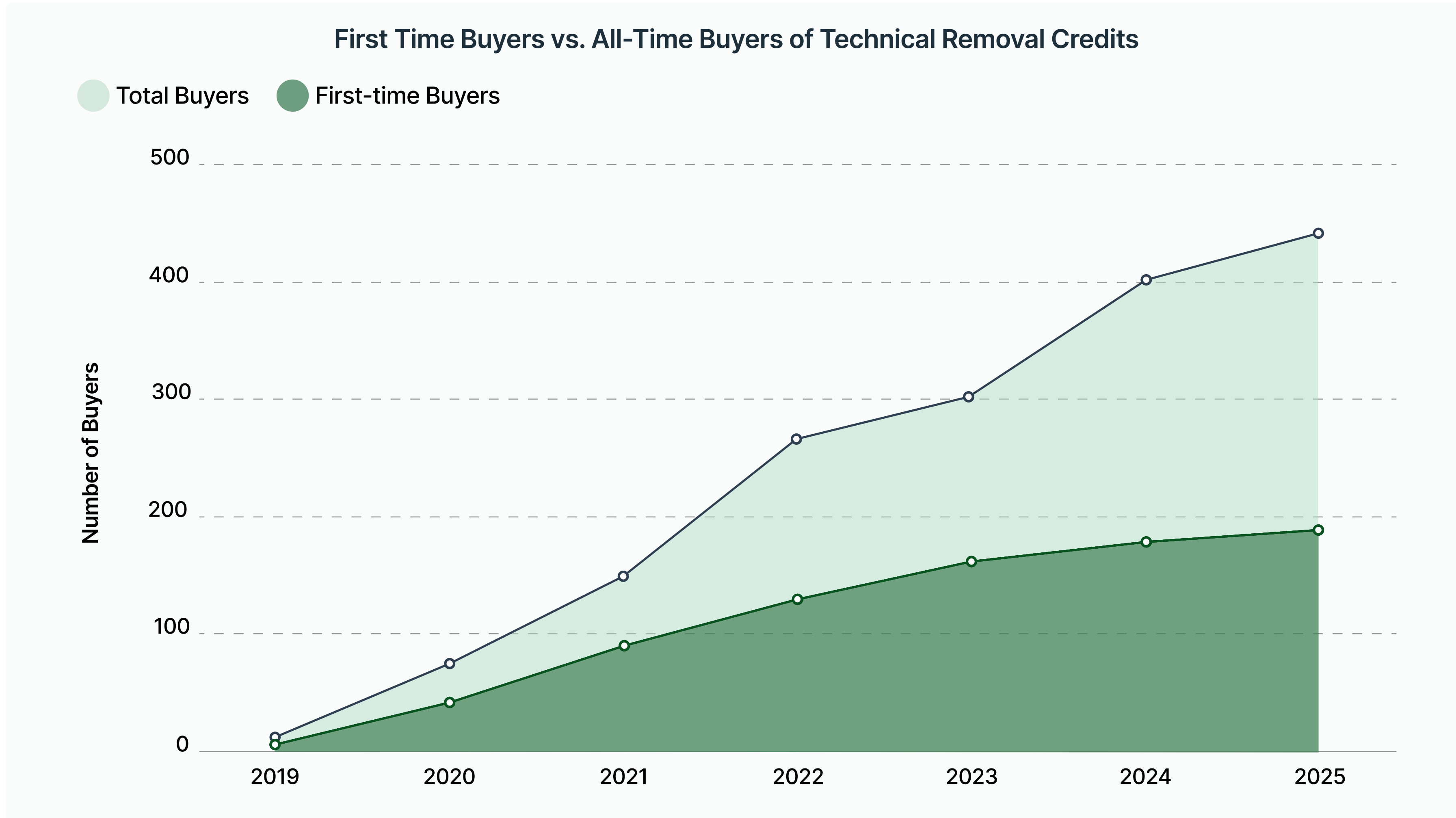
Microsoft's Technical Removal Carbon Portfolio



Microsoft's 2025 carbon removal portfolio closely follows its 2024 structure, with most volume again coming from biomass-based removals led by AtmosClear, Stockholm Exergi, CO280 and C2X.

The main change this year is the addition of Bio-other suppliers such as Carba and Vaulted, alongside an expansion into MIN through Arca, which was not present in 2024. Microsoft also continued supporting ERW developers like Eion, Lithos, UNDO, and Terradot. Notably, there were no DAC purchases in 2025, unlike in 2024, when 1PointFive and Deep Sky contributed 0.5M credits.

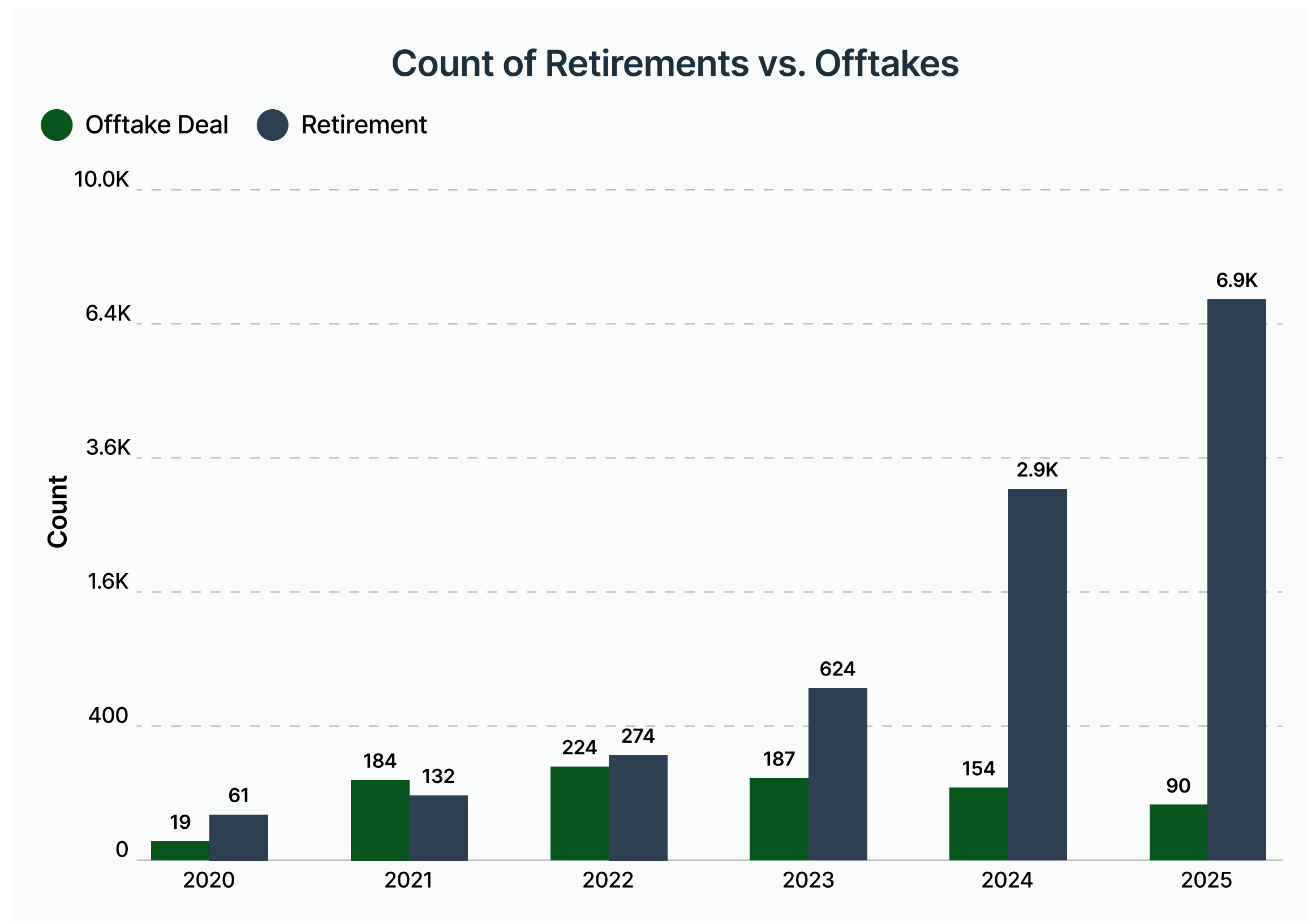
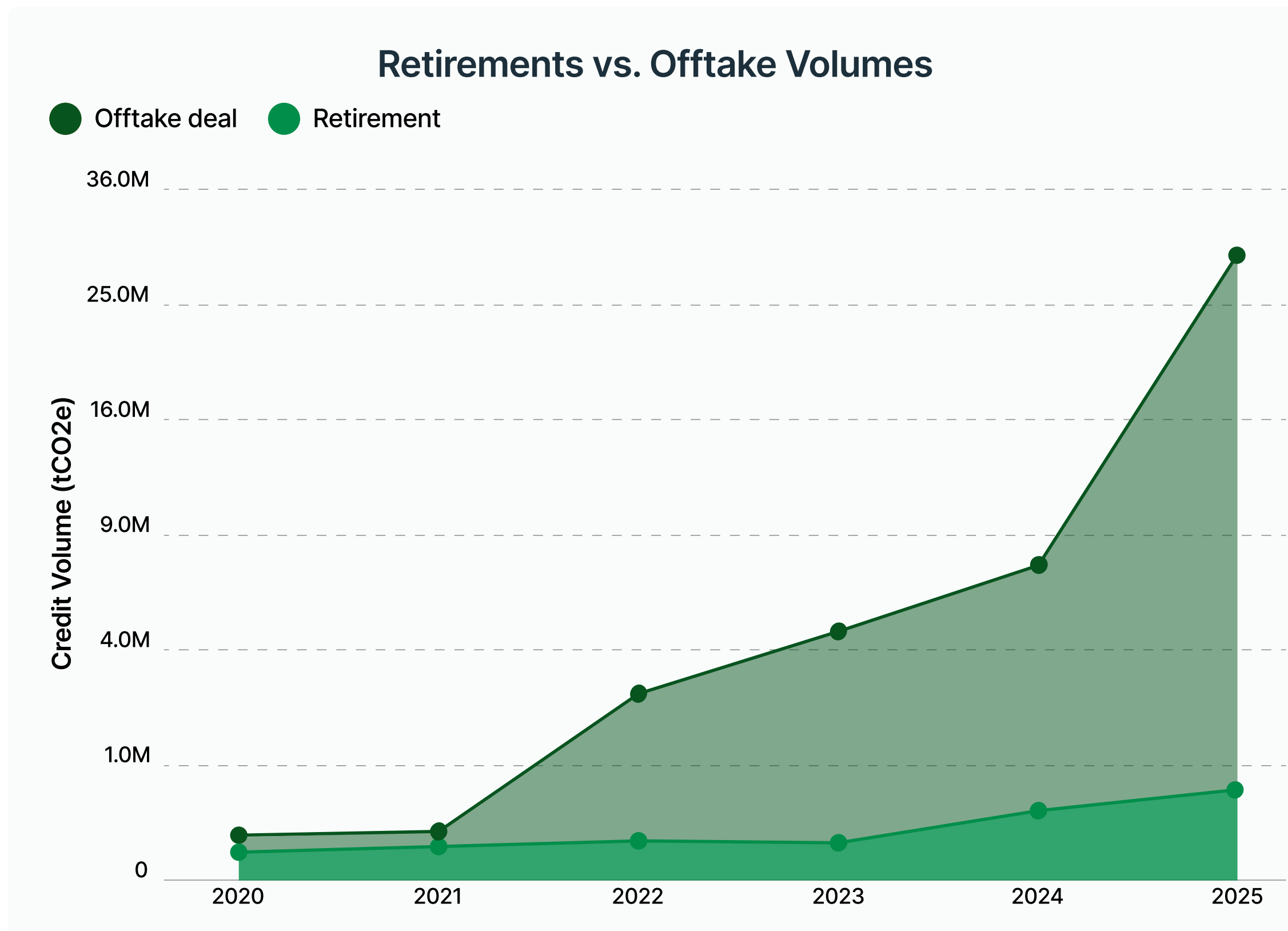
Number of Buyers for Technical Removal Credits Increases



Unlike the broader VCM, which saw the number of buyers who offset plateauing in 2025, CDR saw a slight uptick in the number of buyers in the market in 2025.

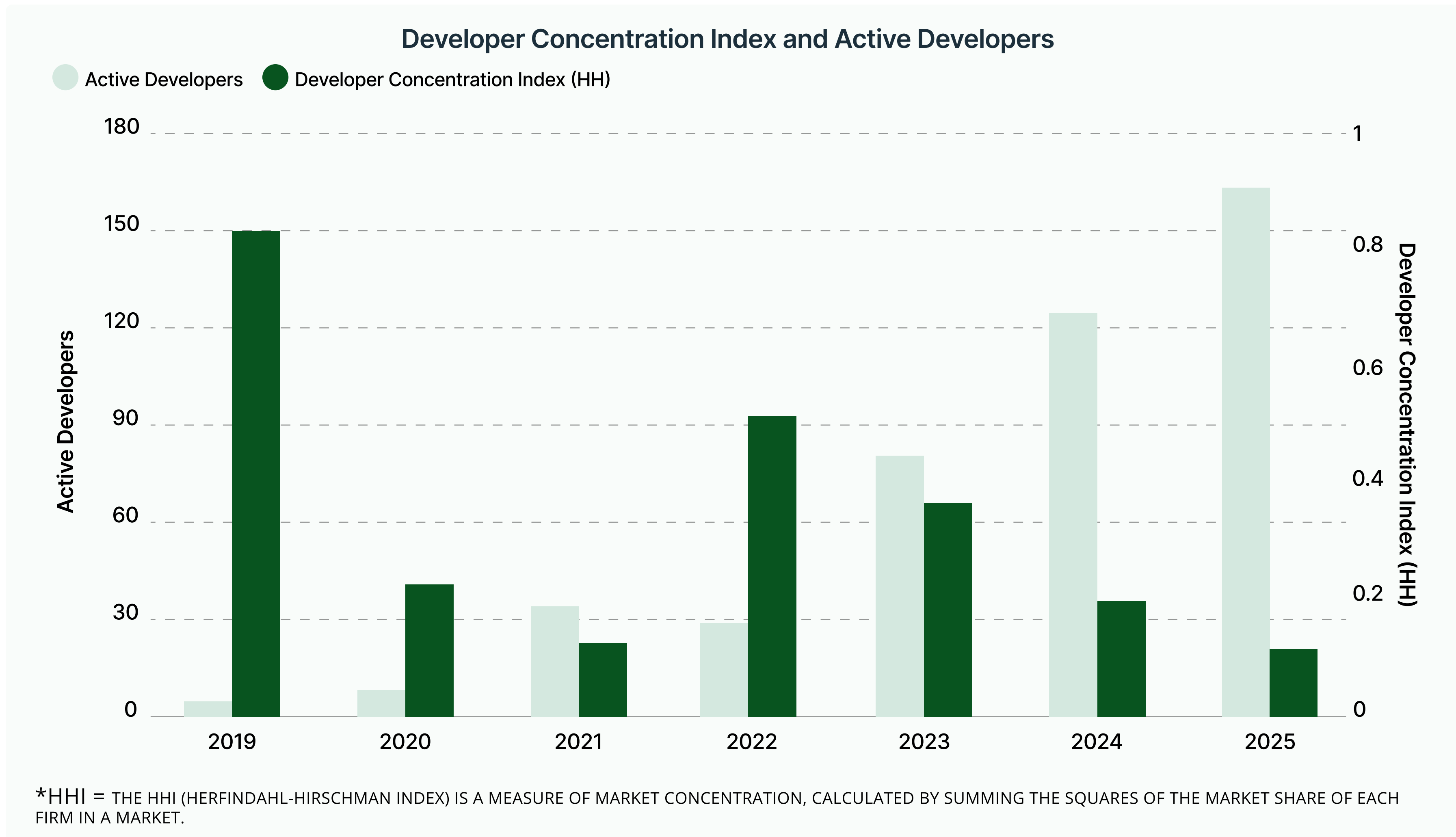
This was seen in both the numbers of new buyers in the market, as well as the total number of companies buying technical removal credits.

Two-Speed Market for CDR Emerging On- and Off-Registry



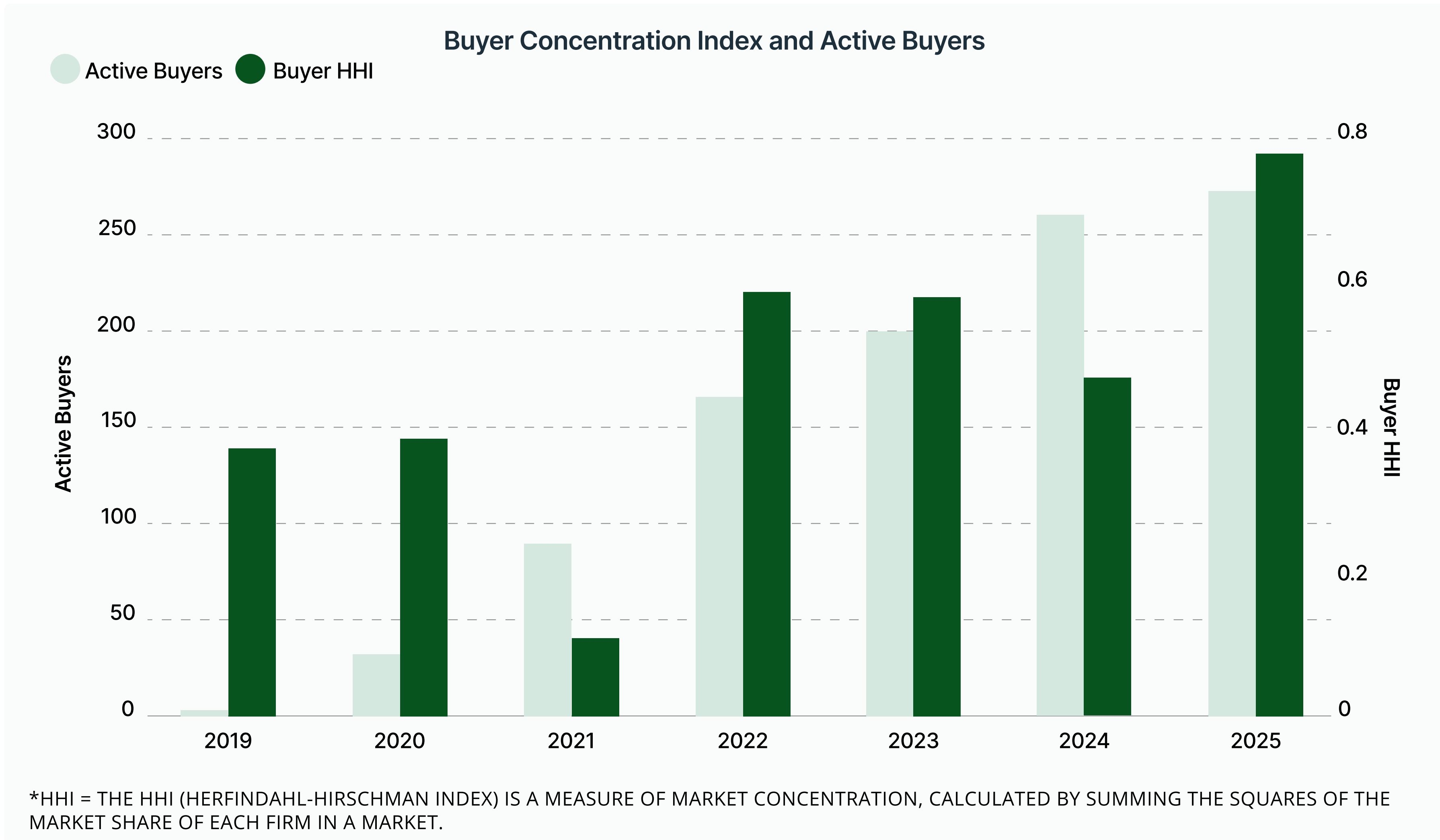
We're seeing a **two-speed market take shape**. On one side, **offtakes are the scale channel**: total volumes keep rising, even though there are fewer transactions, because the deals that do happen are larger. On the other side, **on-registry retirements are the breadth channel**: more organisations are retiring credits, but each retirement is relatively small. The result is a market that's expanding in participation while continuing to grow in volume via different routes.

Technical Removals Supply Has Become Less Concentrated Over Time



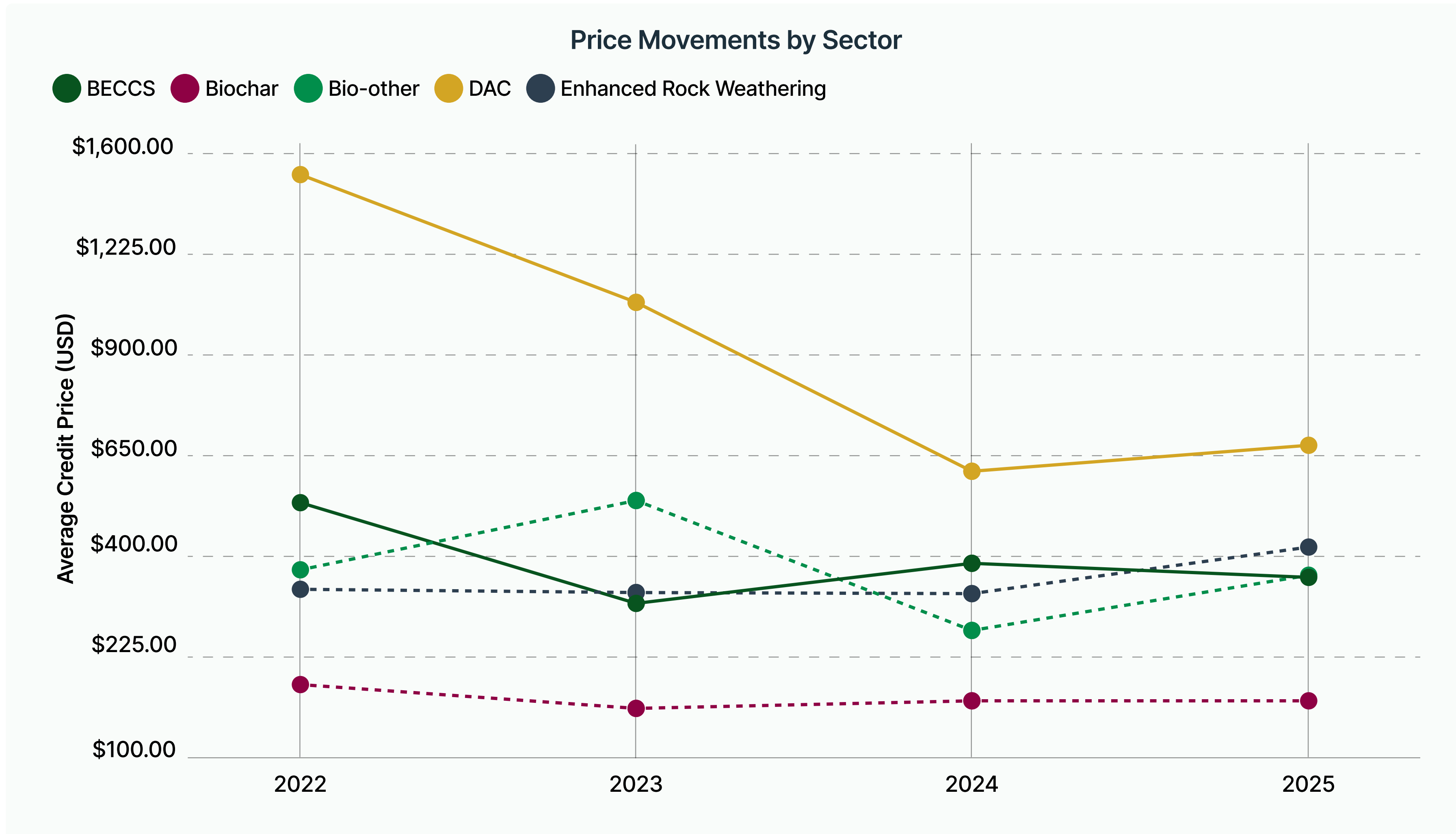
Developer HHI fell while the number of active developers rose, indicating that technical removals supply has become much less concentrated over time.

Buyer Participation is Expanding, But Demand Concentration Remains High and Uneven



Buyer participation is expanding, but **demand concentration remains high and uneven**, driven by a few large buyers like Microsoft dominating volumes in certain years.

DAC and BECCS Prices are Falling, While ERW, Biochar and Bio-other Remain Stable



Prices for DAC and BECCS have fallen since 2022, suggesting these higher-cost credits are moving down the learning curve and becoming relatively cheaper.

In contrast, prices for ERW, Biochar, and Bio-other have remained largely stable over the past four years.

Johan Börje
*Head of CDR Market and
Policy Development*



What do you think were the most important developments for BECCS this year?

Among the spectacular off-takes, I need to mention Stockholm Exergi's expanded Microsoft deal up to 5 million tonnes over 10 years—currently the world's largest annual permanent removals agreement. Also, I like to mention the great progress in advancing the EU implementation work on the Carbon Removal Certification Framework, where the delegated act looks to be adopted still during 2025.

Besides Sweden and the US, which regions would you say are making major progress with CDR?

The EU of course, with the expectation that permanent removals will be part of the 2040 target and, hopefully early, the ETS. UK is a source of inspiration: The GGR business model and the clear indication that removals will be included in the UK ETS.

Japan is also doing great work: Looking to bring permanent removals into the GX-ETS and it seems they are implying that it may also be used in their updated NDC.

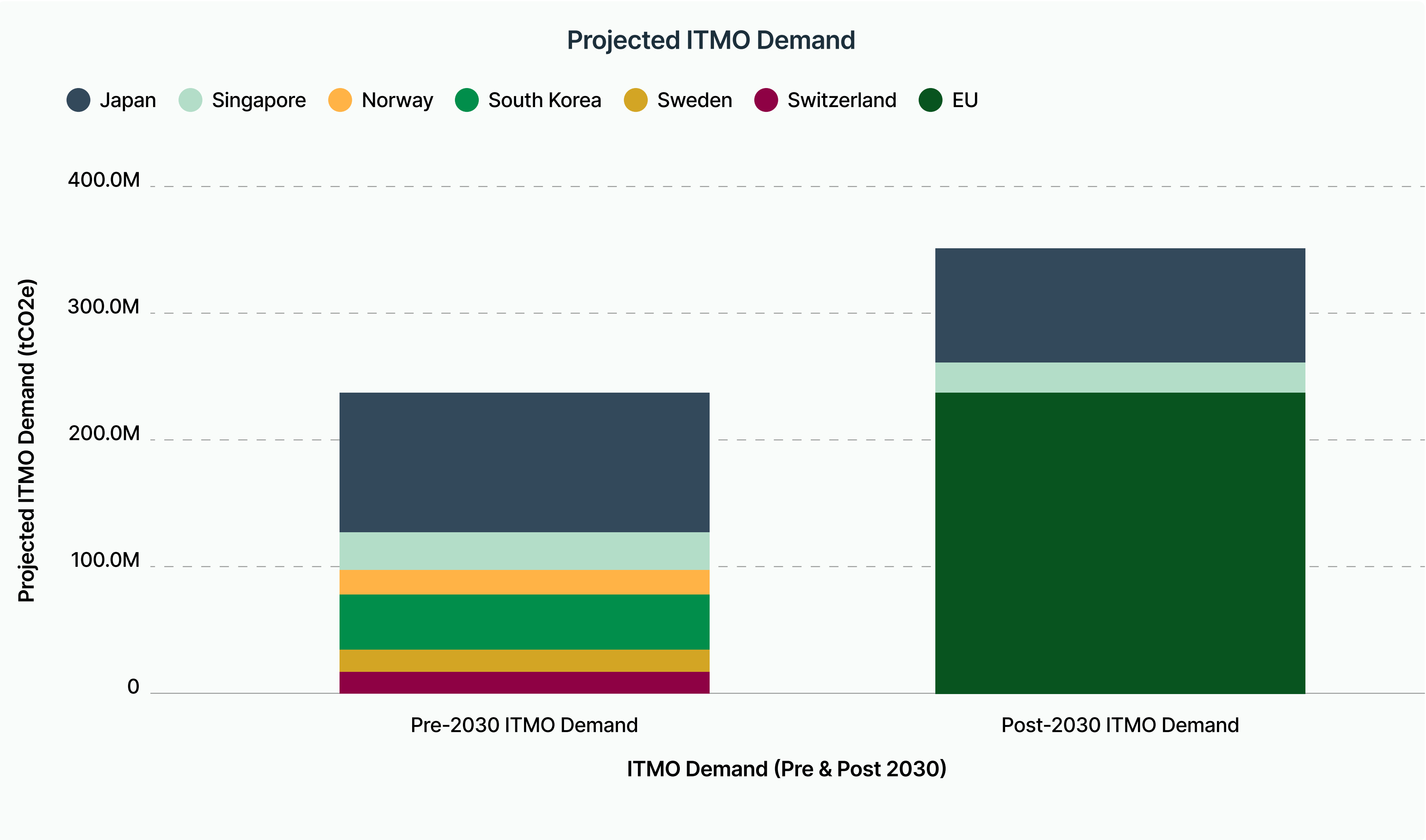
As confidence in engineered removals goes up and prices begin to come down, what types of buyers or industries do you think will enter this space next?

In Sweden we see commercial real estate moving into the market, but also the grocery retail sector. Banking and private equity are other sectors expressing increased interest. In general, I expect companies who take their climate targets and net-zero plans seriously will start to engage to build an understanding and get prepared. I think we are entering a phase, before permanent removals become eligible for ETS or other compliance, where we will see off-takes spreading into many sectors, but with smaller volumes than we saw during 2025.

Policy and Regulatory Shifts and Their Impact on the VCM



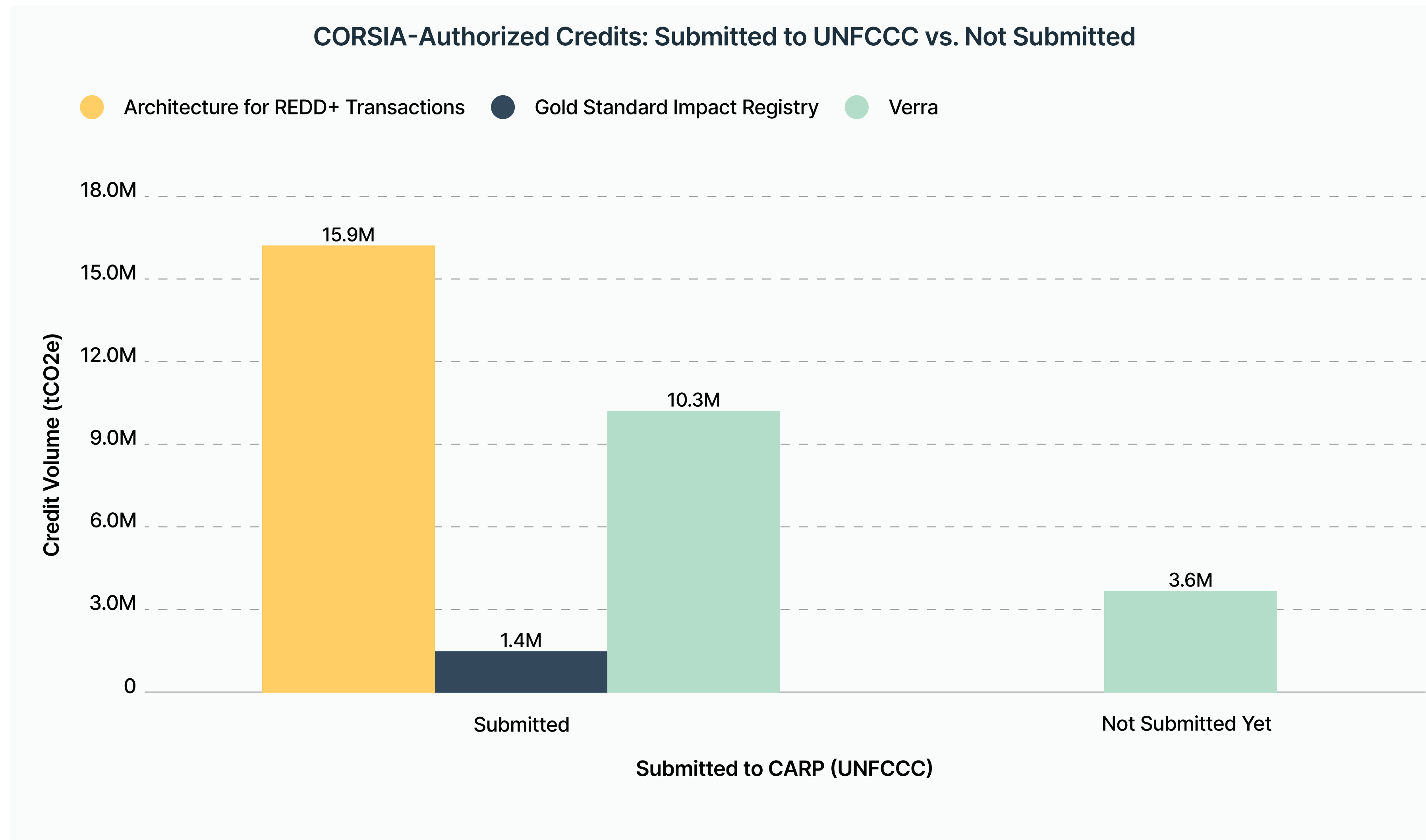
Post-2030 Demand Focused on EU, GX ETS, and Singapore



Sovereign Article 6 demand is expected to reach approximately 230 million ITMOs by 2030, driven by Japan, Singapore, Norway, South Korea, Sweden, and Switzerland as they work to meet their NDCs.

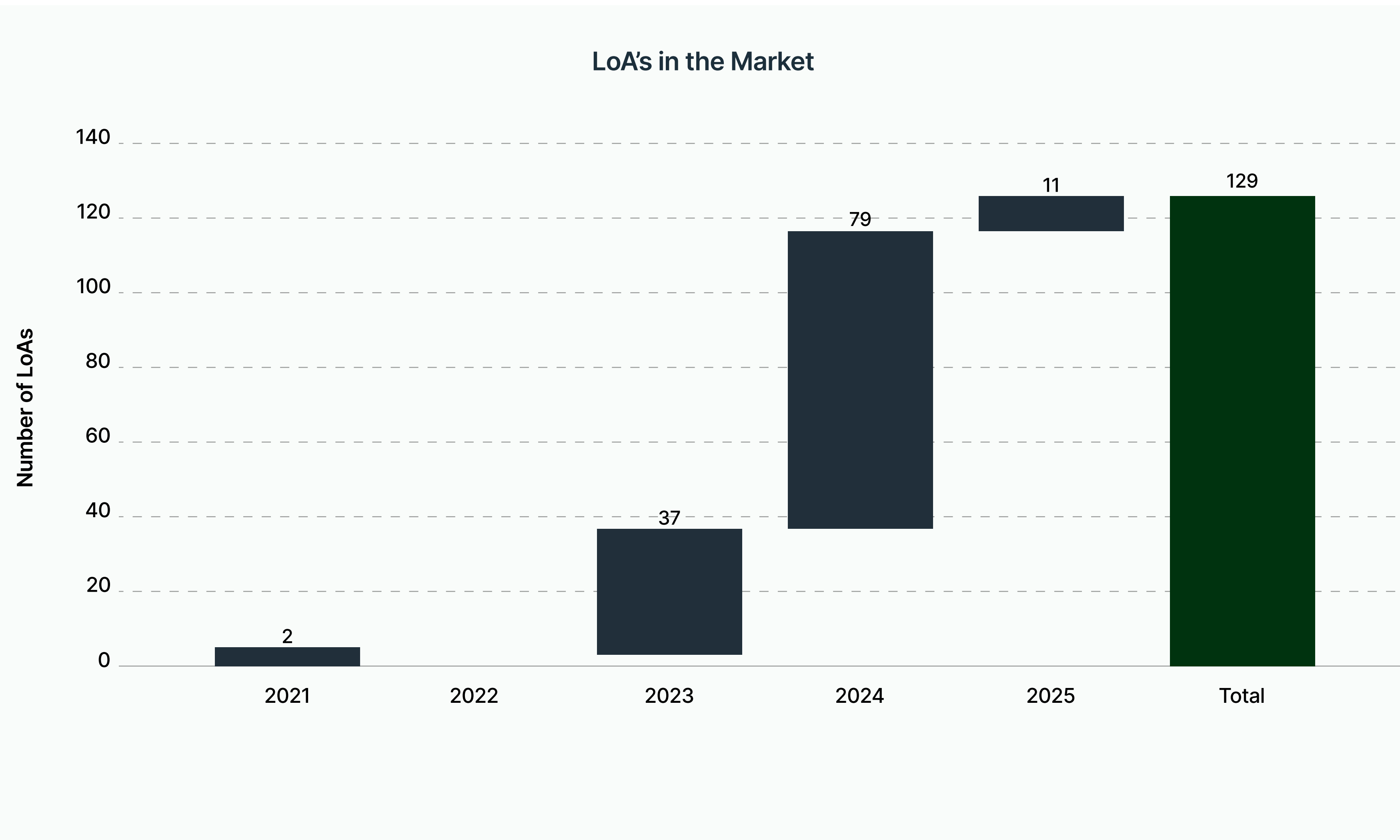
Post-2030 demand will be led primarily by the EU's 2040 climate targets, which account for approximately 232 million international credits (conservative estimate) between 2036–2040, alongside continued demand from Japan under its GX-ETS (100 MtCO₂e) and Singapore's carbon tax. Additional confirmed demand is expected to be announced.

CORSIA P1 Supply Bottlenecks



CORSIA Phase 1 pipeline supply projects continue to receive formal authorization (LoAs) through the UNFCCC's reporting requirements. At present, **CORSIA Phase 1 supply is constrained by reporting requirements**, including the need for corresponding adjustments by governments; however, progress in reporting and the approval of insurance policies by designated providers are beginning to unlock this supply.

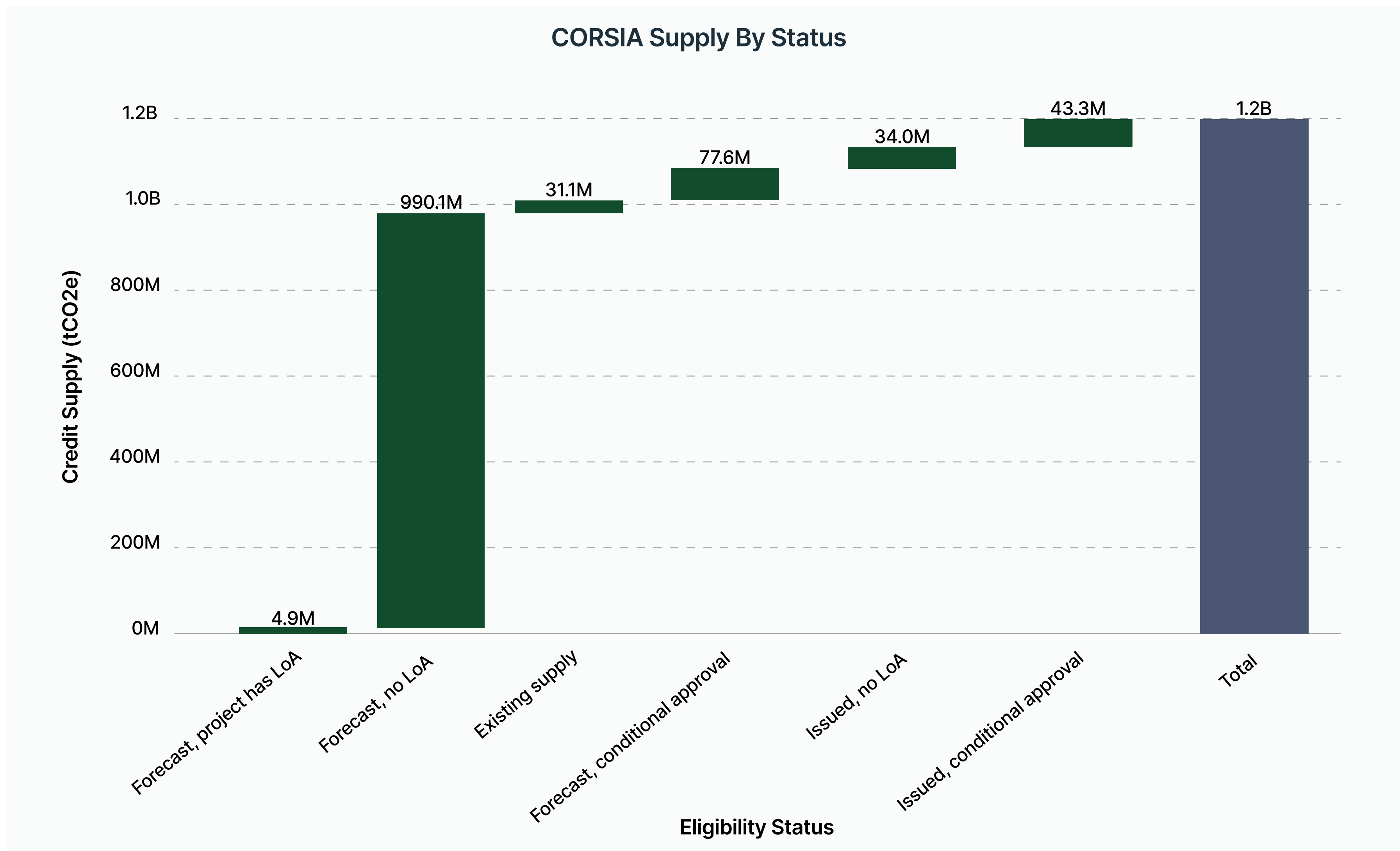
Progress of LoAs Entering the Market Over Time



We observed a 40-fold increase in Letters of Authorization (LoAs) between 2021 and 2024.

2024 alone accounted for two-thirds of all LoAs issued to date, reflecting a major acceleration in authorizations as Article 6 implementation matured. Early 2025 data shows a significant slowdown, with only 3% of total LoAs issued so far occurring in 2025, based on available LoA disclosures.

CORSIA Supply Remains Tight



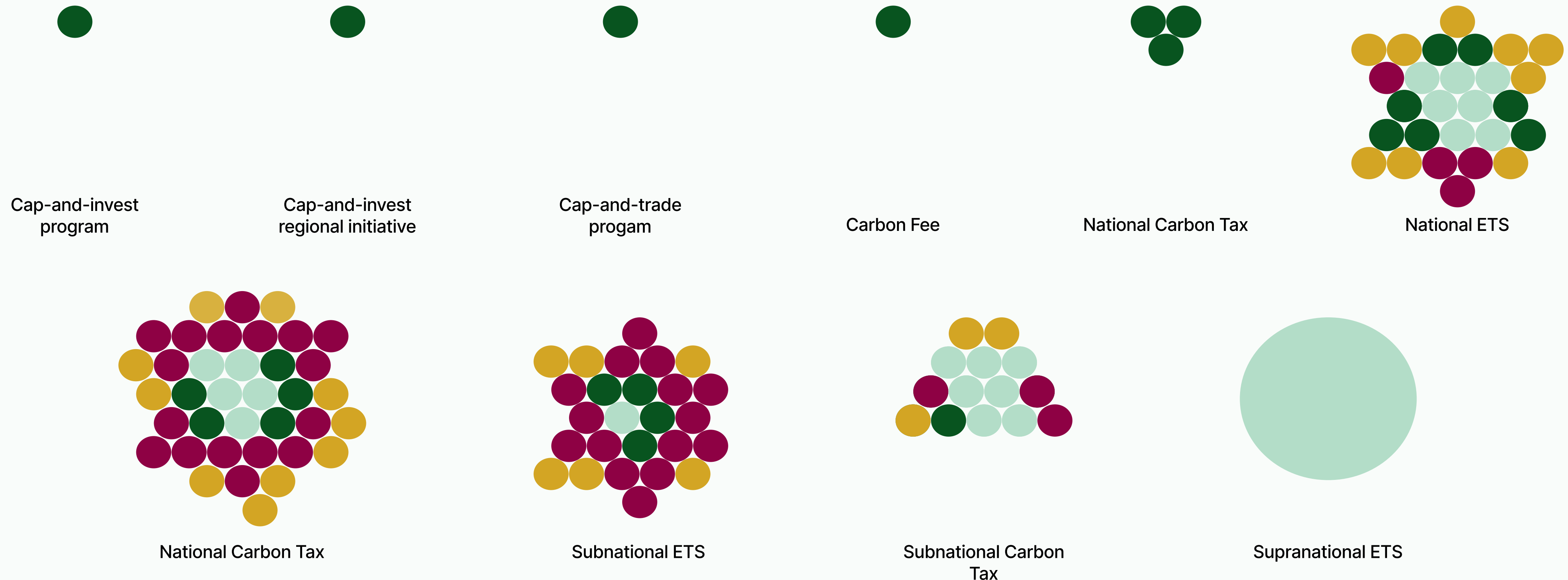
Existing supply (31.1M) remains a small slice of available pool relative to total projections. Only a fraction of CORSIA-eligible credits have been issued to date, and existing aligned supply remains constrained by limited corresponding adjustments in place. The supply pool is being unlocked by an influx of credits under approved insurance policies as required by Gold Standard Foundation (Gold Standard) and the Verified Carbon Standard (Verra).

Phase 1 projections of activities without an LoA underlines the ongoing structural hurdles of host-country authorization and Article 6 readiness.

Around 50% of Implemented and Emerging Schemes Either Accept Offsets Or Are Actively Considering Their Inclusion, 36% Already Allow Offsets

National carbon taxes generally restrict offset use (13%, while 44% explicitly prohibit them). Whereas nearly half of national ETSs (e.g. Korea ETS) either accept or are moving toward offset use, with subnational ETSs (California, Washington, Alberta) continuing use under capped thresholds.

Considering offsets
 Currently accepts offsets
 Does not accept offsets
 TBD



*USERS CAN REVIEW AND COMPARE THE INDIVIDUAL SCHEMES ON ALLIEDOFFSETS PLATFORM

Singapore Takes Top Spot; Chile and Kenya Rise as the United States Falls

AlliedOffsets Country Policy Scores

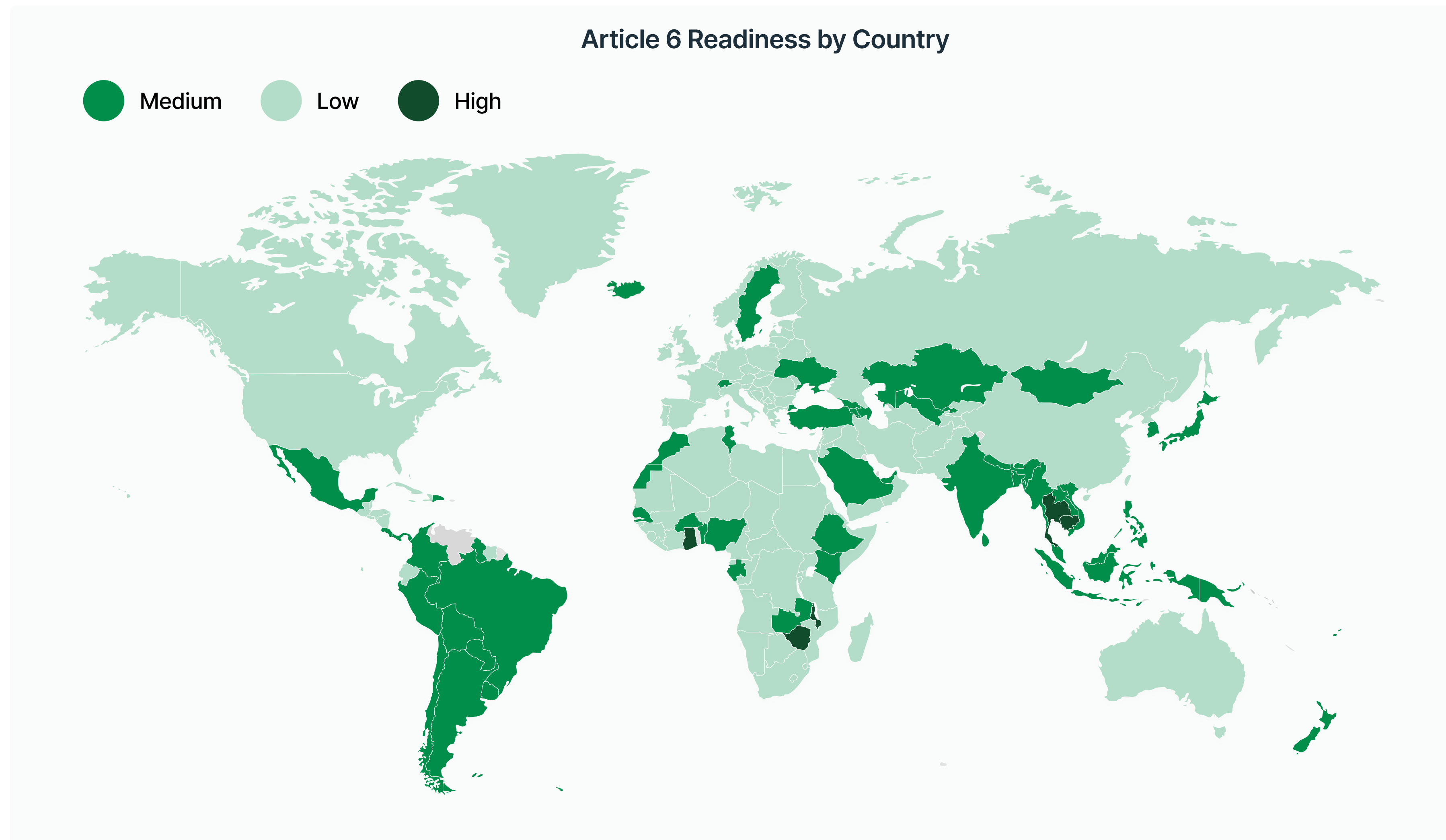
Rank	Country	Average of metric Score	Movement	Previous Rank (Dec 2024)
1	Singapore	78	▲	2
2	Chile	76	▲	5
3	Kenya	74	▲	7
4	India	73	▲	11
5	United States	73	▼	1
6	South Korea	73	-	6
7	Australia	72	▲	8
8	Cambodia	70	▲	9
9	Colombia	70	▼	4
10	Ghana	70	▲	10

Singapore takes the top spot, driven by clear corporate offsetting guidance, active Article 6 cooperation, and co-leadership of the Coalition to Grow Carbon Markets. Chile and Kenya continue to climb on steady progress in market governance and implementation.

The United States falls from first place following withdrawal from the Paris Agreement, repeal of CDR tax credits, and legal action against the California Cap-and-Invest program.

India and Ghana rise in the rankings, with India advancing its domestic Carbon Credit Trading Scheme and international engagement, and Ghana entering the top 10 after completing Africa's first Article 6 ITMO transfer.

Article 6 Readiness is Concentrated in a Few Countries



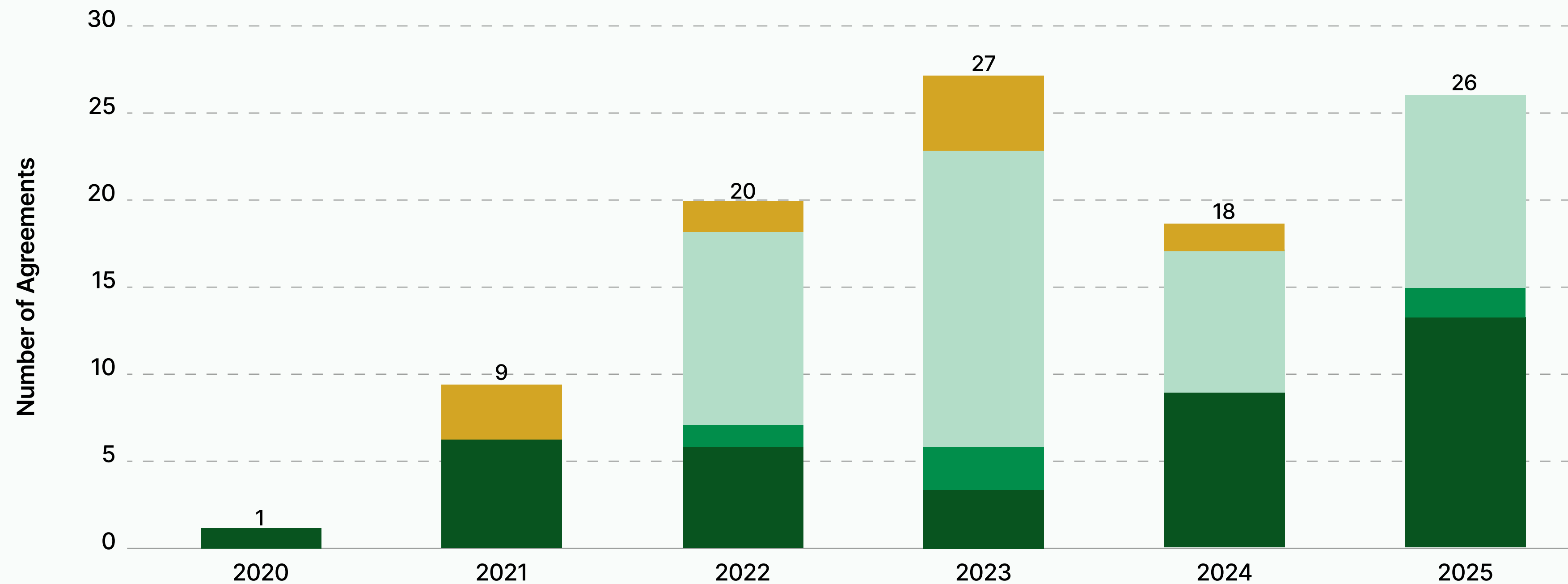
Ghana, Thailand, Malawi, Zimbabwe emerge as comprehensive Article 6.2 enablers

Thailand has taken early steps through the Bangkok e-Bus Program and a published call for Article 6.2 projects linked to Singapore's carbon tax. Ghana has completed the first Article 6 ITMO transfer from African projects, while Malawi has entered the market by supplying 1.5 MtCO₂e of CORSIA Phase 1 credits. Zimbabwe has also progressed implementation, issuing its first correspondingly adjusted credits, totaling 12 ktCO₂e.

Article 6 Agreements are Deepening After COP29

Article 6 Cooperative Bilateral Agreements (BAs)

● Other
 ● MOU
 ● BA (negotiated)
 ● BA (signed)

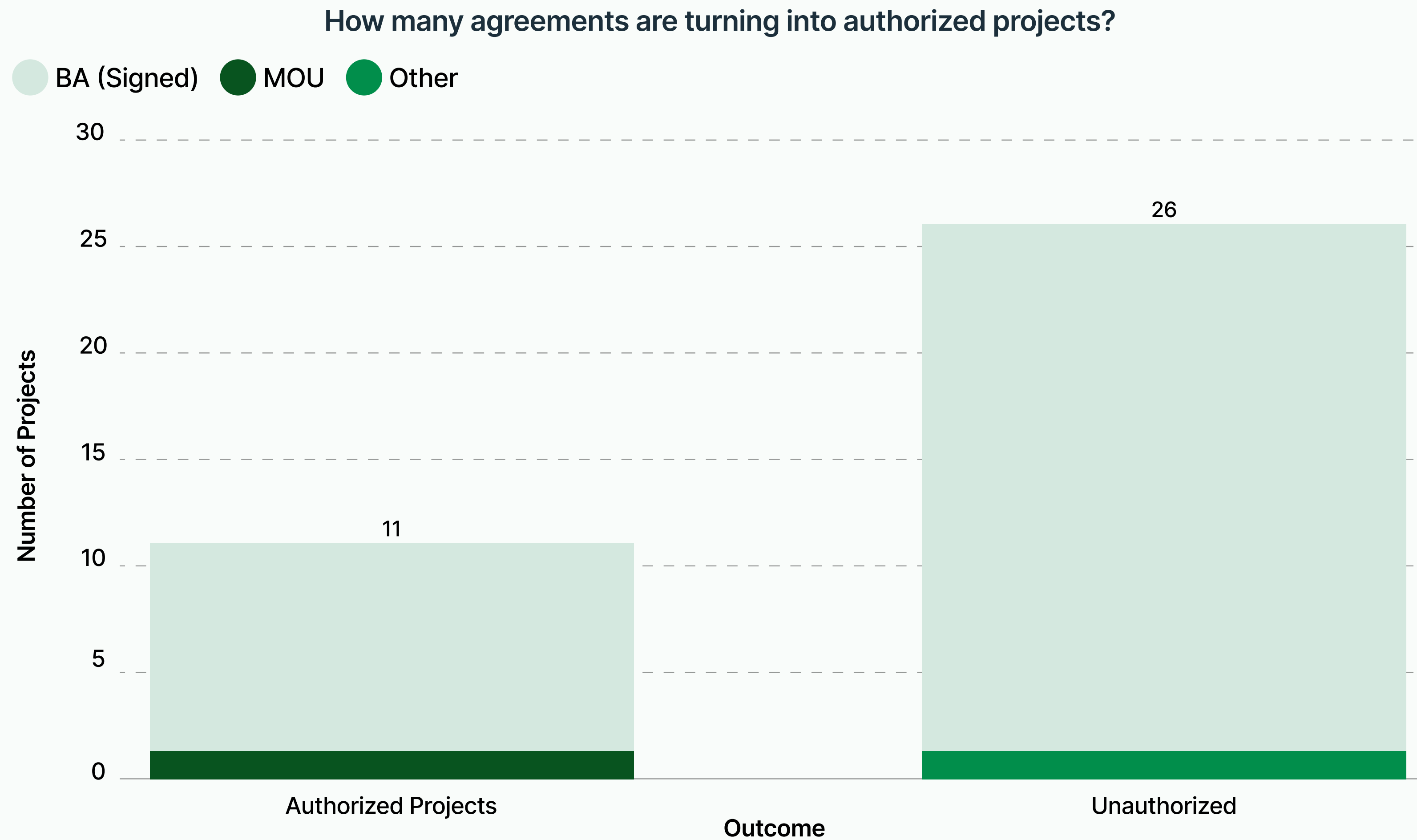


Deepening Cooperative Agreements

Proportion of Article 6 cooperative agreements have deepened following the publication of the Article 6 Rulebook at COP29 in Dubai in 2024.

Singapore and Switzerland lead the way with 32 and 19 number of finalized agreements.

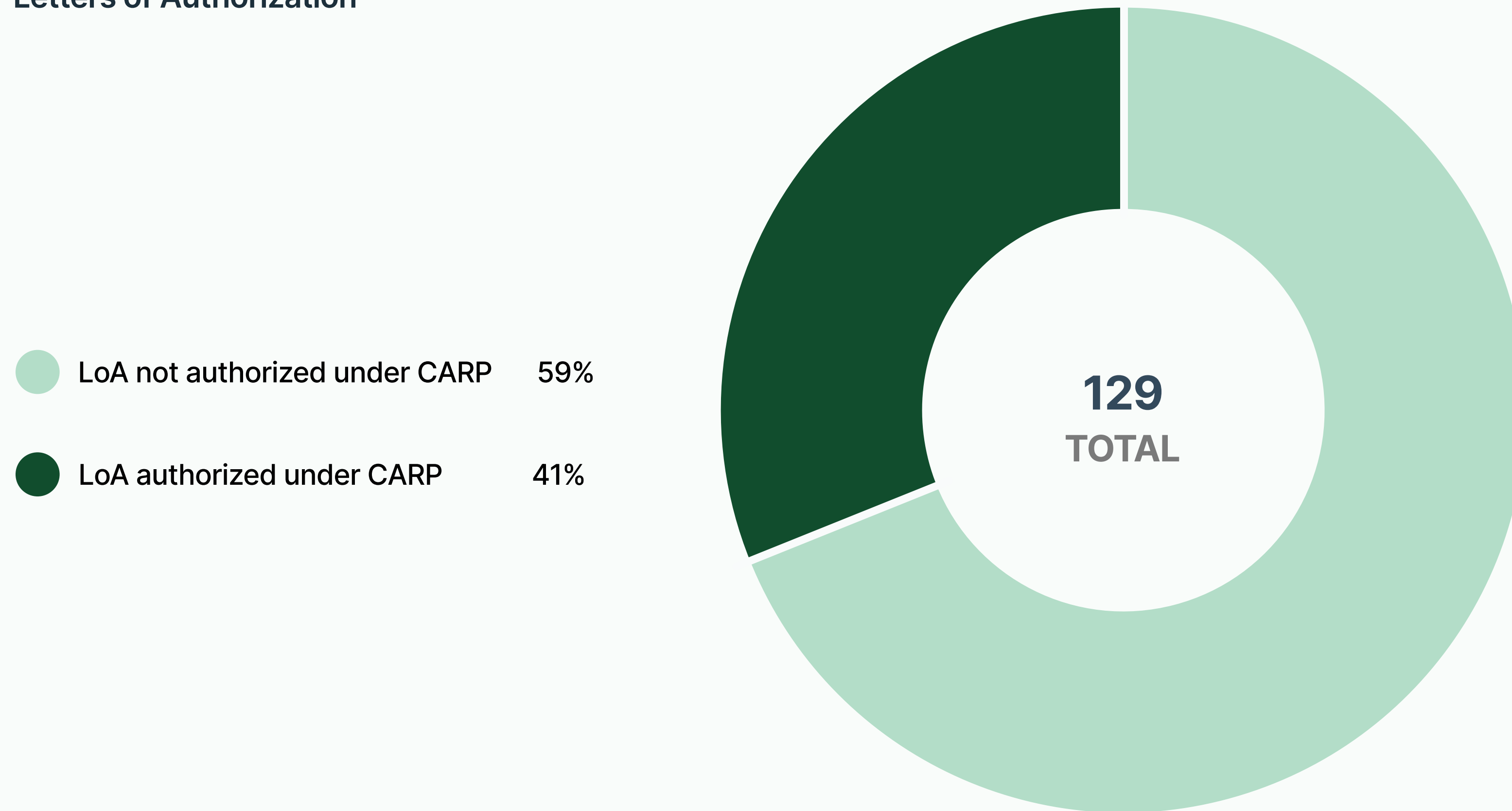
Pledges Turning into Article 6.2 Implementation



Africa accounts for the largest share of signed bilateral agreements (27 of 33, or 82%), yet only 7 projects (~21%) tied to BAs are authorized, with the remaining 26 (~79%) still proposed.

38 LoA's Have Been Authorized Under CARP*

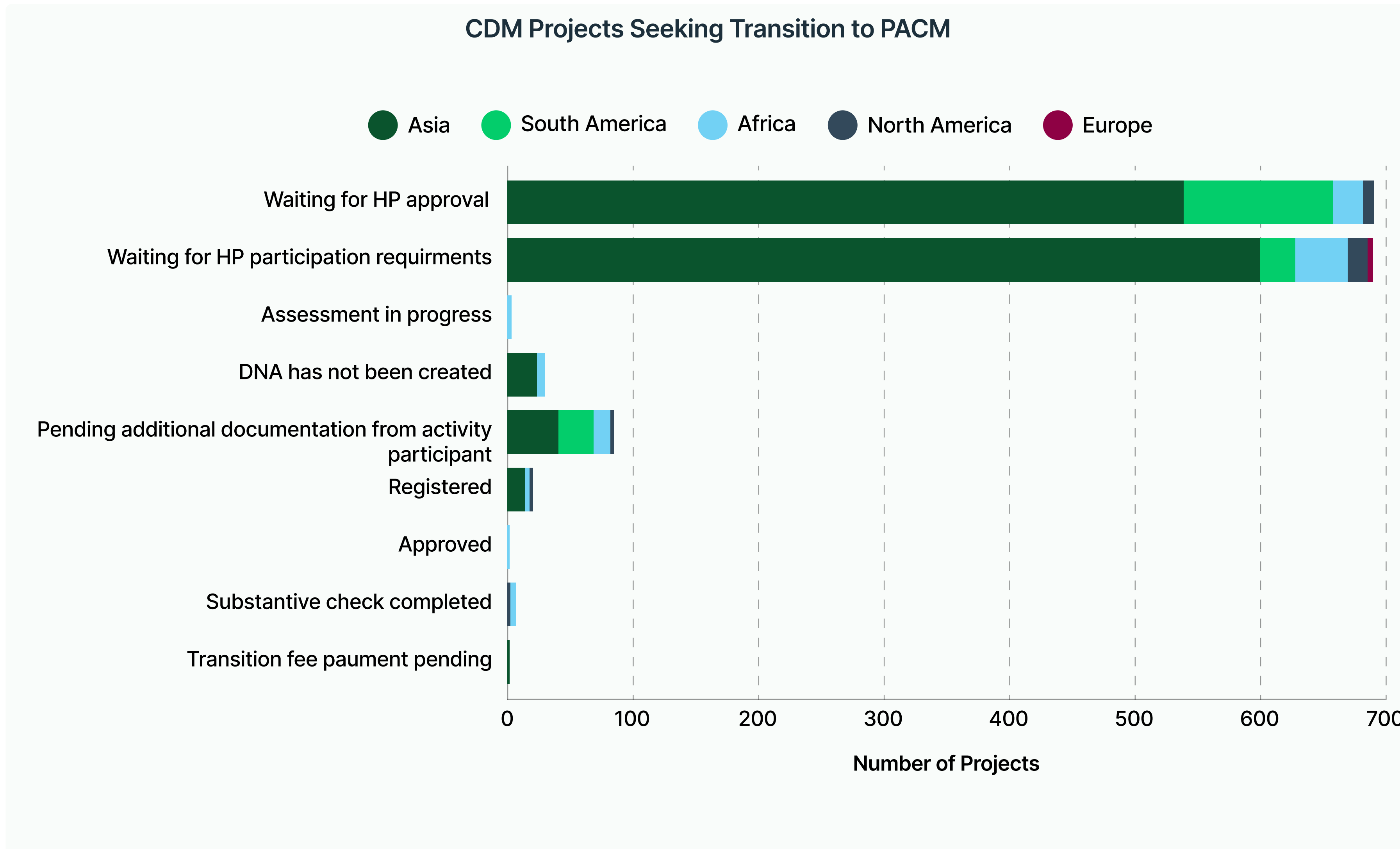
Letters of Authorization



Only around 40% of unilaterally authorized LoAs currently in the market have been formally authorized via the UNFCCC reporting process.

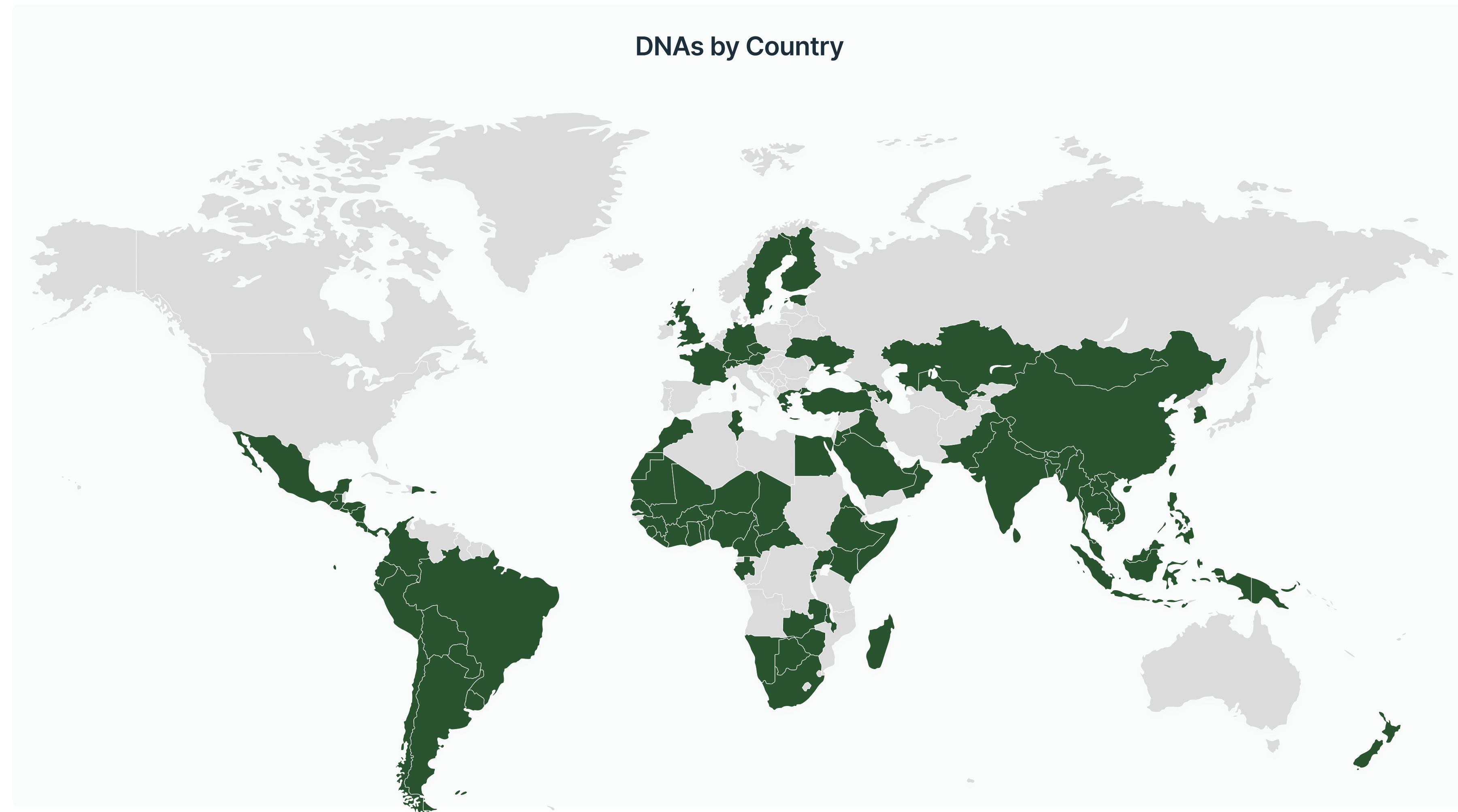
*THE UN'S CENTRALIZED ACCOUNTING AND REPORTING PLATFORM (CARP)

A6.4 Transitioning Project Snapshot



92% of CDM transitioning projects are either waiting for Host Party approval, or for Host Parties to submit participation requirement documents to the UNFCCC.

118 DNAs and Counting



We have seen a large number of countries submit Designated National Authorities (DNAs), which oversee the approval of Article 6.4 activities, generate mitigation outcomes (A6.4ERs), and submit authorized project documents, reporting and monitoring documentation, as well as domestic market governance and policy integration.

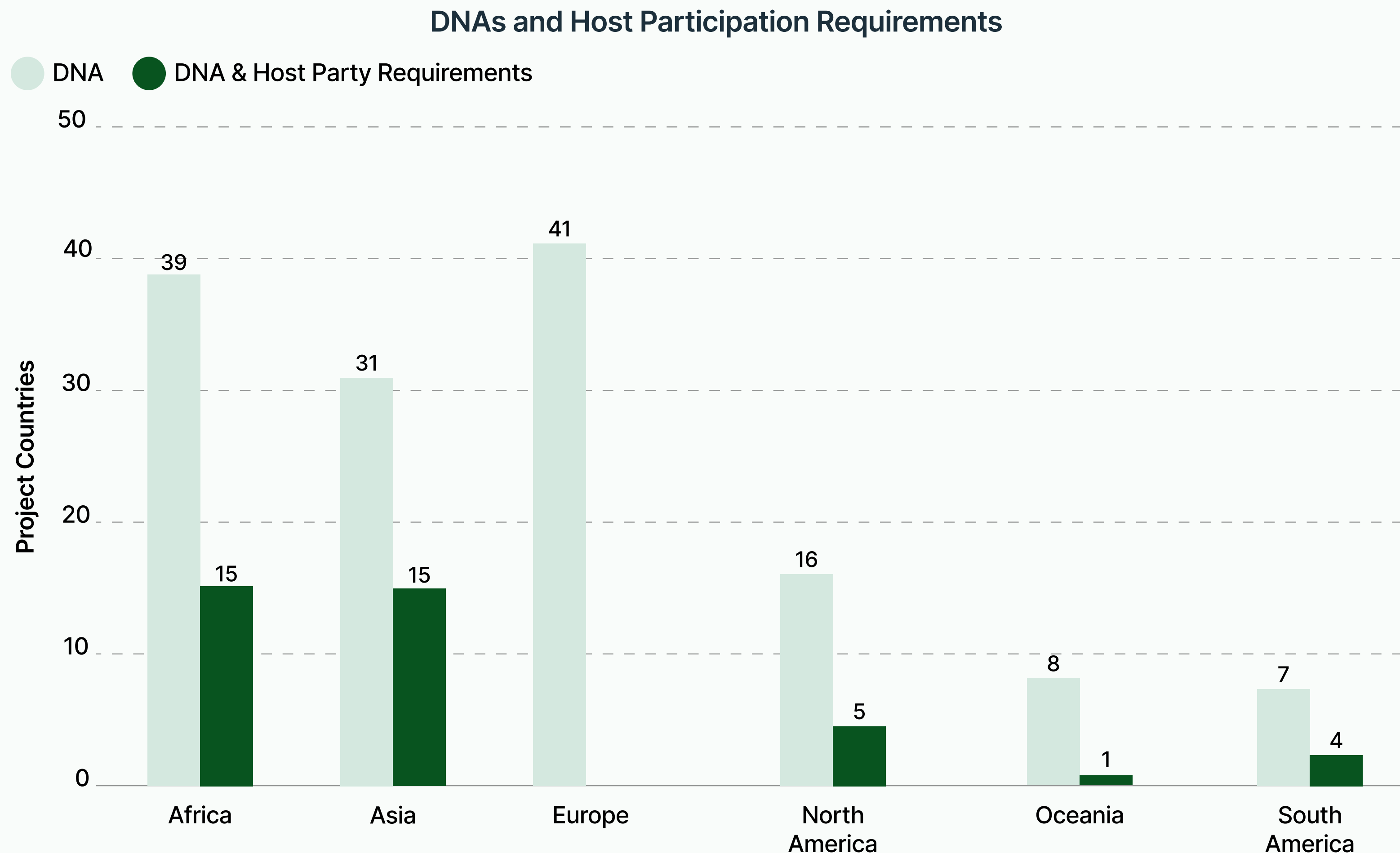
How Many Countries Have DNAs But Not Published Host Participation Requirements?

ACM Supply remains conditional on host party participation requirements

Only a third (30%) of countries with communicated Designated National Authorities (DNAs) have submitted Article 6.4 Host Party Requirements.

A6.4 submissions are concentrated in Asia-Pacific (~45%), with more limited uptake in Latin America (~36%) and Africa (~30%); reflecting an active push to position as early host jurisdictions for PACM supply.

Europe, by contrast, is positioned as a demand source, but not a host, of PACM supply, seeking to prioritize domestic removals under the CRCF and Article 6.2 bilateral agreements over the the Article 6.4 mechanism.



Conclusion

by Anton Root, AlliedOffsets Co-Founder and Head of Research

2025 saw the VCM return to growth, though the market remains on shaky footing as it heads into the new year. The number of retired credits exceeded the 2024 total, and a record year for offtakes **boosted the market's value to over \$10b for the first time since AlliedOffsets began tracking the VCM in 2020**. Prices for credits saw an uptick after a two-year slump. Given the pessimistic mood at the start of 2025, these signs of recovery will be welcome for those seeking to grow the fledgling market from a niche sideline, to a major mechanism to finance climate mitigating projects.

Our report highlights several noteworthy trends. First, superpollutant projects had a strong year, with awareness around, prices, and demand for these credits increasing considerably over previous years, in part driven by CCP labelling. Secondly, CDR had a strong showing in 2025, with more credits than ever purchased

via offtakes. Thirdly, with Article 6 moving closer to implementation, VCM projects are closer than ever to unlocking large volumes of demand driven by countries and compliance mechanisms. Supply of eligible credits continued to emerge this year, though not as quickly as some predicted.

The picture is not all rosy. CDR investment slowed this year, and that part of the market continues to be propped up by a single buyer in Microsoft. The growth of SBTi commitments (a predictor of VCM activity) slowed in 2025, and the number of buyers in the market stayed flat. And despite some growth, prices for credits remain too low.

Still, 2025 marked a year of resilience for the VCM. After restructuring, retooling, and learning from past mistakes, companies are heading into the new year with a feeling largely absent in recent times: cautious optimism that the worst may finally be behind them.

WEBINAR

2025 Carbon Market Recap: Data-Backed Insights from AlliedOffsets



Speakers



Tiffany Cheung
Corporate Engagement
Lead



Pranav Balaji
CDR Analyst



Daniel Blum
Carbon Policy Analyst



Maria Orola Benzoni
Data Lead

28th of January
14:00 - 15:00 GMT

Voluntary Carbon Market 2025 Review

Emerging Trends for 2026

