

METHODOLOGY OVERVIEW

Country Policy Scores

A monthly scorecard of each country's environment for carbon market participation

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Overview

AlliedOffsets' Country Policy Scores track how supportive each country's policy and regulatory environment is for carbon market participation, and how that changes over time. Every country is assessed each month on a set of indicators grouped into five themes: political commitment, institutional framework, policy processes, business friendliness and market performance. Scores combine policy monitoring, expert assessment by our Policy Team, respected public indices and AlliedOffsets market data.

Data Sources

Source type	How it is used
Policy and regulatory developments	Monthly monitoring of carbon market news, regulations and official documents, including Article 6 agreements, Letters of Authorization, corresponding adjustments and NDCs.
Public governance indices	Published indices from organizations such as the World Bank, Transparency International, the World Justice Project and Credendo.
AlliedOffsets market data	AlliedOffsets pricing and transaction data, used to assess market performance.
AlliedOffsets policy research	Expert assessment of developments by the AlliedOffsets Policy Team.

Our Approach

1	Monitor developments Each month, carbon market and regulatory developments are gathered for every country.
2	Assess policy indicators Our Policy Team assesses how each development affects the relevant indicators, and records a source for traceability.
3	Incorporate public indices Business environment indicators draw on respected public governance indices and are updated when those indices are.

4

Add market performance

Market performance indicators are updated monthly from AlliedOffsets market data.

5

Fill gaps conservatively and total

Countries with no recent developments keep their previous scores. Where no direct evidence exists, a conservative regional reference is used and clearly labeled. Indicator scores are then summed into a total.

Key Principles

Traceable

Every directly assessed score is linked to its source.

Conservative where evidence is missing

Countries cannot score highly simply because their neighbors do.

Balanced

Each indicator contributes equally to the overall score.

Timely

Monthly updates capture fast-moving policy developments.

Quality Assurance

- Scores are reviewed by the Policy Team each month.
- Estimated values are labeled separately from directly assessed scores.

Interpreting the Results

- Scores describe the policy environment for carbon market participation. They are not a measure of overall country risk.
- Look at the source or label behind each indicator to see whether it was directly assessed or estimated.

Limitations

- Expert assessment involves judgment, and coverage may vary between countries and months.
- Public indices may lag real-world conditions between publications.
- Market performance indicators depend on the coverage of market data for each country.
- Countries with little direct evidence rely more on estimated values.

WHAT YOU GET

A monthly scorecard for each country, with indicator scores, sources or estimate labels, and a total policy score, shown across AlliedOffsets dashboards and country policy cards.