Opposing carbon markets

A guide to carbon markets and how to fight them

mobilise resist transform
Friends of the Earth International is the world’s largest grassroots environmental federation, with 73 national member groups and millions of members and supporters around the world.

Our vision is of a peaceful and sustainable world based on societies living in harmony with nature. We envision a society of interdependent people living in dignity, wholeness and fulfilment in which equity, and human and peoples’ rights, are realised. This will be a society built upon peoples’ sovereignty and participation. It will be founded on social, economic, gender and environmental justice and be free from all forms of domination and exploitation, such as neoliberalism, corporate globalisation, neo-colonialism and militarism.

We believe that our children’s future will be better because of what we do.

This guide provides an overview of the various and complex processes that are dangerously pushing carbon markets at global, regional, and national level. Understanding these processes can enable climate justice and other social movements to identify crucial points of intervention for the fight against carbon markets and false climate solutions.

This guide also highlights what some of these efforts can look like, and what avenues exist to build people’s capacity for opposing carbon markets and offsets.

We hope this guide will serve as a useful tool to be better informed about these issues and support people and movements to start and advance their own campaigns and advocacy efforts against carbon markets.


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As the climate crisis intensifies, impacting our communities and ecosystems with increasing violence and frequency, a new threat has emerged in the past decades. Big Polluters, desperate to keep on profiting even at the expense of people and nature, are positioning themselves as the climate champions who can solve the crisis. With ‘net zero’ pledges, carbon markets, and offsets, they have built a smokescreen of false climate solutions.

The problem with carbon markets and offsets is threefold: they don’t work to reduce emissions; they provide cover for Big Polluters to keep on polluting; and they come with devastating impacts on communities and ecosystems.

1. Carbon markets and offsets don’t work

A number of investigations have shown that carbon markets and offsets don’t work, and instead harm our communities and environment. In 2023, the scandal around the world’s leading carbon offset certifier Verra showed that over 90% of the offsets it sold were largely worthless. To put it simply: carbon markets, carbon credits and offsets simply do not achieve real emission reductions. The remaining global carbon budget allows for a decade or likely even less of emissions. There is no time for offsetting.

2. A dangerous distraction

The need for urgent, deep, and real emission reductions is more evident and pressing than ever. Any chance to avoid the worst impacts of the climate crisis requires emission cuts right now, with each country doing their fair share in line with historical responsibility. With carbon markets and offsets, Big Polluters can come forward with seemingly adequate pledges of ‘net zero’. But these promises are empty, relying on the promise of their emissions being compensated or balanced somehow, somewhere else, whilst they keep on emitting. This is why carbon markets and offsets act as a distraction from the real climate action we so desperately need, and a dangerous one.

3. Furthering extractivism and neocolonialism

Carbon markets are based on trading of carbon credits. Those credits are generated by projects such as tree-planting, supposedly preserving forests, restoring carbon in depleted soils and ecosystems, or engineering techniques with the ambition to remove carbon from the atmosphere. They are predominantly implemented in the Global South where investments are being heavily directed (due to lower costs and vast amounts of land), with lifespans of sometimes decades or centuries. They contribute to the privatisation of land and ecosystems, ceding them to overseas carbon traders and investors, while increasing the debt of host countries. In their implementation, many of these projects have also been linked to adverse impacts on local communities, large-scale land grabs, and violations of human rights and Indigenous rights. They further patterns of extractivism and neocolonialism where communities, first and foremost in the Global South, are sacrificed for the continued profiting of Big Polluters.
Policy processes promoting carbon markets

UNFCCC

Carbon markets were established in the United Nations Framework Convention on Climate Change (UNFCCC) in 1997, when the Kyoto Protocol created the Clean Development Mechanism (CDM) and Joint Implementation (JI), the first global schemes of this kind. JI allowed developed countries (such as the US or the UK) to set up projects in other developed countries with lower costs (such as former Soviet states) and earn carbon credits towards their emissions reductions targets. The better known CDM relied on the idea of allowing developed countries to implement projects supposedly reducing emissions in developing countries, and to gain carbon credits – called certified emission reduction (CER) credits – which could be counted towards meeting their international targets. The CDM failed miserably, but carbon markets weren’t dropped altogether, and flourished in the voluntary sector alongside the CDM. They were then were enshrined in Article 6 of the Paris Agreement adopted at COP21 in 2015, and, after six years of hand-wrangling negotiations and resistance by civil society, a broad agreement on the rulebook to implement the Article was reached at COP26 in Glasgow, paving the way for negotiation of the detailed rules.

We are now witnessing an intensification of the push for carbon markets and false climate solutions, especially under Article 6. The Article covers voluntary cooperation in the implementation of countries’ nationally determined contributions (NDCs) – sometimes referred to as ‘cooperative implementation’ – and the establishment of a new formal global carbon market, legitimising the use of offsetting to meet NDCs, although its operationalisation is still under way (and could start in 2024 pending key decisions at COP28 in Dubai). Some of the provisions of Article 6 now represent a key global battleground for climate justice movements to push back against false climate solutions.

These include:

- **Article 6.2 – Cooperative Approaches**
  A6.2 allows countries to trade emission reductions and removals through bilateral and multilateral agreements outside of the UNFCCC. This covers approaches such as bilateral, regional or global carbon trading schemes set up voluntarily and run by governments and multilateral institutions (e.g. CORSIA, the international aviation industry’s offset mechanism, which is already operating). A6.2 links emissions trading systems and other trading platforms, including business-run voluntary carbon markets (VCMs), so that Parties can count these credits toward their NDCs. A6.2 credits are coined as ITMOs (internationally transferred mitigation outcomes).

- **Article 6.4 – ‘The Mechanism’**
  A6.4 sets up the UN-run global carbon market, for which participation is voluntary and credits are referred to as ERs (emission reductions). Importantly though, once a country decides to participate in the Mechanism, there is no way out. It provides the structure under which Parties will be able to internationally trade emissions reductions and removals. The Supervisory Body for A6.4 will be the body overseeing this mechanism, and is currently discussing and forming proposals for the remaining unresolved provisions that will operationalise the A6.4 global carbon market (including, for example, activities involving ‘removals’). Once operationalised, developers will be able to register their projects with the Supervisory Body and, following approval, these will generate UN-recognised credits that can be traded by countries, companies and individuals. In addition, there are thousands of existing CDM activities waiting for approval for transition to A6.4 to be endorsed by a possible COP28 agreement. This will enable harmful false climate solutions to be given the UN stamp of approval and for Big Polluters to keep on polluting.
• **Both of above**

Both A6.2 and A6.4 also carry significant risks that outweigh any potential perceived benefits, including financial ones, and could hinder a country’s capacity to meet its own NDC if emission reductions are oversold or if countries are not allowed to revoke authorisation to use these credits sold for other countries’ NDCs. Carbon markets carry significant market volatility and financial stability risks. These risks have not materialised so far due to the limited demand and lack of real functioning of carbon markets, but this is fast changing. The climate debt of developed countries must not be discharged through carbon trading or offsets, instead, it should be discharged through the provision of financial resources by developed countries, as is their legal obligation under the UNFCCC and the Paris Agreement, and in line with principles of equity, historical responsibilities, and common but differentiated responsibilities (CBDR). Trading in the carbon market must not be equated to the provision of climate finance by developed countries to developing countries.

• **Article 6.8 - Non-Market Approaches**

A6.8 promotes the use of non-market approaches for mitigation and adaptation efforts, with international cooperation at its core (including providing and distributing financial and technical resources). It could provide the pathway to the real solutions that climate justice movements have been demanding for decades, but could also result in more false climate solutions being pushed through the door.

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**Recent developments regarding carbon markets under the UNFCCC**

**Glasgow, COP26 (2021)**

• COP26 in Glasgow established the Article 6 Rulebook, paving the way to establish a new global carbon market on which countries will be able to trade carbon credits to meet their NDCs.

• Under this mechanism, COP26 also allowed for carbon credits from previous carbon markets – including the CDM from the Kyoto Protocol – to be integrated in the new A6.4 market. These pre-2020 credits, would have allowed additional emissions to those under countries’ NDCs after 2020, thus inflating their emissions (often called ‘hot air’). In the end they were limited but permitted to be traded under A6.4 between the 2020-2030 period. This brings concerns of inflating the market, double counting, and making actual emission reductions even less likely.

• Activities that would remove carbon from the atmosphere – “removals” – have been proposed as being eligible for offset credits.

• No substantial safeguarding measures were agreed to address the negative social and environmental impacts of Article 6 provisions, including the risks posed to Indigenous rights and human rights. Governments are only required to report their views on respecting these rights in their implementation.

• Other than the principle of avoiding double counting of credits and a minimum set of conditions for their use for NDCs, the rest of the rules and regulations for A6.2 carbon markets are left to the governments and multilateral institutions that design and run those schemes. Their obligations are primarily limited to mandatory reporting (annual and biennial).
• The Supervisory Body for A6.4 has been tasked with producing critical ‘net zero’ components for the operations of the Mechanism, including removal activities (rules and procedures for NBS, CCS, and future geoengineering offset projects), methodologies for project activities, and the Sustainable Development Tool that supposedly includes safeguards for the rights of Indigenous Peoples, local consultations, human rights etc. It met five times throughout 2023 with several consultation periods along the way.

• At the end of this process, the Supervisory Body will update and finalise recommendations on removals (and its methodologies) for adoption at COP28, and a removal roadmap that includes at minimum development for NBS, BECCS, DACCS, and marine geoengineering. If adopted, these recommendations would fully operationalise the carbon market mechanism under A6.4.

• Adopting these methodologies alone would enable thousands of existing offset projects under the now-defunct Clean Development Mechanism (under the Kyoto Protocol) to continue as A6.4 activities from the start of 2024 onwards.

• If adopted, the recommendations would fully operationalise the carbon market mechanism under A6.4.7

• Whether forest conservation, REDD and other emission avoiding activities (such as renewable energy installations) are allowed as offsets under A6.4 will be decided in Dubai.
Global carbon markets outside the UNFCCC

The push for carbon markets and offsets has also continued in parallel to the UNFCCC processes. These initiatives continue to build corporate pressure for global carbon markets. The credits traded also find their way back into the UNFCCC via A6.2.

These include:

• **The Taskforce on Scaling Voluntary Carbon Markets**
  A private sector-led initiative established by the Institute of International Finance (IFF) in 2020 to scale up a global voluntary carbon market. The Taskforce reported on its work in 2021 and developed a blueprint for growing voluntary carbon markets by more than 15-fold by 2030.

• **International Emissions Trading Association’s (IETA) Markets for Natural Climate Solutions**
  Launched at COP25 in Madrid by the likes of Shell, BP and Chevron with the intention to boost private sector investment in NBS and achieve its aims of ‘harnessing nature to mitigate climate change’.

• **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**
  The International Aviation Industry’s (ICAO) offset mechanism, adopted in 2016 and now operating. It provides a global market for trading of emissions resulting from the aviation industry. Note that CORSIA only covers international flights, and only compensates for the growth in emissions for these (i.e. emissions above 2020 levels), meaning that in total, CORSIA would only cover 25% of CO₂ emissions from global aviation between 2021 and 2035.8

• **Carbon Markets and the G7**
  The G7 is also pushing for development of carbon markets. In 2023, the Group published its Principles of High Integrity Carbon Markets. The idea is to reinforce market confidence so that the carbon market economy can develop further.

• **Private schemes**
  There are also many private offset schemes run by companies (and some not-for-profit) and attached to different corporations and activities which are extremely difficult to track.

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**Carbon offsetting schemes v. Emissions Trading Schemes**

Offsetting schemes and cap-and-trade schemes (or Emissions Trading Schemes, ETS) work differently. Both trade carbon emissions, but where ETS enable companies to trade pollution permits (or ‘allowances’) that allow them to emit CO₂ so long as their emissions are kept under the cap, offsetting schemes enable countries or companies to trade offsets, i.e. emission reductions that have supposedly already been achieved somehow, somewhere, through an offset project. Under ETS, the regulator (most often governments) has control over the total number of allowances available for companies to buy, i.e. they control how much emissions to allow overall. Note that whilst all voluntary carbon markets allow the trading of carbon offsets, only some ETS allow for offsets.

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**Regional processes**

In parallel with international processes, there is an increase in regional schemes being set up for carbon markets.

A live map of regional, national, and subnational carbon pricing initiatives can be found on the World Bank Carbon Pricing Dashboard,10 totaling 73 carbon pricing initiatives implemented: 1 regional, 39 national, and 33 subnational. In 2023, these initiatives would cover 11.66 GtCO₂e (gigatonnes of CO₂ equivalent), representing 23% of global greenhouse gas emissions.

Europe

In 2005, the EU introduced the European Union Emissions Trading System11 (EU ETS) as a core element of its climate action plans. The EU ETS functions as a cap-and-trade system where the volume of allowances is determined top-down and decreased annually. It applies to emissions from activities in the power sector, manufacturing industry, and intra-EU aviation. The system has gone through several reforms and there are current plans to introduce an EU ETS 2 to expand the scheme to other sectors, including buildings, road transport, and process heat in industry.
The EU ETS has not achieved the promised emission reductions, with industry lobbying successfully securing weak targets that have rendered the ETS ineffective. In addition, the ETS once enabled overseas offsetting through the Clean Development Mechanism, meaning that Big Polluters are under no obligation to reduce emissions in Europe. After an EU commissioned report in 2016 on the CDM that concluded its overwhelming failure, the EU ETS no longer uses CDM credits.12

The European Commission also submitted a legislative proposal in November 2022 to the European Parliament and the Council to establish a carbon removal certification framework13 (CRCF) for the monitoring, reporting, and verification (MRV) of removals, under the European Climate Law (net zero by 2050). NBS (including carbon farming), geoengineering (including BECCS and DACCS), as well as Carbon Capture and Utilisation (CCU)/carbon storage in buildings (e.g. building for construction, paper, bioplastics) would all fall under the certification. This would provide government sanction and market confidence for removal offset credits to be sold in voluntary, and eventually compliance, carbon markets (i.e. incentive for more carbon removals across the EU). If the CRFC is adopted, it would enable the continuation of the fossil economy and potentially justify new fossil infrastructure like gas across the EU, whilst legitimising and fuelling global voluntary and compliance offset markets by setting up a ‘gold standard’ (with consequences far beyond Europe). It would also empower agribusinesses and timber companies, undermine biodiversity restoration and food sovereignty, and delay real climate action. It is important to note that the process is led by an ‘expert’ group full of agribusinesses and fossil interests.

Asia

Singapore and Malaysia have announced plans to launch international carbon trading exchanges and, along with India and Indonesia, are reportedly setting up domestic trading schemes with a possibility of setting up future regional trading such as between ASEAN countries.

National schemes

There is a proliferation of carbon markets and offset schemes nationally, especially in the Global South, as governments want to tap into the global carbon market economy.

A live map of regional, national, and subnational carbon pricing initiatives can be found on the World Bank Carbon Pricing Dashboard,15 totaling 73 carbon pricing initiatives implemented: 1 regional, 39 national, and 33 subnational. In 2023, these initiatives would cover 11.66 GtCO₂e, representing 23% of global greenhouse gas emissions.

In Malaysia for example, the government is seeking to achieve net zero by 2050 by setting up a Domestic Emission Trading Scheme (DETS) in three phases. Bursa’s Carbon Exchange (BCX), the Malaysian voluntary carbon market exchange, was launched in December 2022. This was understood as the first phase before transitioning to a full DETS.

China is home to the largest carbon market in the world by volume, with its ETS covering more than four billion tonnes of carbon dioxide (about 40% of the country’s national carbon emissions). Its offset mechanism - the China Certified Emission Reduction (CCER) system - allows entities to offset up to 5% of their annual verified emissions.

Japan launched a bilateral crediting mechanism (JCM) in 2013 and 27 countries have so far signed bilateral arrangements. It also introduced a package of climate and energy policies (GX) in 2023 that sets up a domestic cap-and-trade scheme to be fully operational from 2026.

In Kenya, the Draft Climate Change (Amendment) Bill, 2023, intends to incorporate carbon markets within the country’s climate legislation with a series of amendments that will facilitate carbon trading. The country has been one of the biggest drivers of the Africa Carbon Market Initiative, and is already the biggest contributor of carbon credits on the continent.

Africa

The Africa Carbon Market Initiative (ACMI)14 was launched in November 2022 at COP27. It aims to produce 300 million carbon credits annually by 2030 and 1.5 billion credits annually by 2050, with 13 action programmes supporting the growth of voluntary carbon markets across Africa. The rationale is that the initiative could unlock billions in so-called climate finance so direly needed on the continent. But we’re already seeing the devastating impacts of offset projects in several countries, with land grabs and rights violations being a common theme of existing projects.
Kenya issued an estimated 26 million credits in total for the period 2016-2021 and estimates it could generate 20-25 million credits and $500 million in revenue every year by 2030.

At COP27 in Egypt in 2022, the government launched the Egyptian Exchange (EGX)’s voluntary carbon market.

In 2018, Colombia adopted a law for climate change management, which outlines provisions for the establishment of an ETS, the Programa Nacional de Cupos Transables de Emisión de Gases de Efecto Invernadero (PNCTE). The PNCTE, currently still under consideration, aims to complement the existing carbon tax and offsetting programme in place since 2017. Under the carbon tax (Impuesto Nacional al Carbono), which applies to liquid and gaseous fossil fuels, companies can meet up to 100% of their obligations via domestic offsetting credits. The government also launched the Colombian Voluntary Carbon Market Platform the same year with the aim of attracting investors. Notably, the marketplace has been subject to concerns regarding the integrity of some carbon credits. A reform of the carbon tax introduced in 2022 expanded the taxable base to include the domestic sale, import, and consumption of thermal coal excluding coal exports and coal used in coking plants, and adjusted the percentage of allowable offsets to 50%.

Mexico established in 2013 a carbon tax for internal sales and import of fossil fuels, with the exemption of natural gas. The country also established MexiCO2, a voluntary market that provides carbon credits to companies for offset projects, which can be used towards the carbon tax. Mexico also introduced the first ETS in Latin America in 2020. The Pilot Programme, running 2020-2022 with the operationalise phase starting in 2023, aims to contribute to Mexico’s NDC and other national mitigation goals.

**Figure 1: Map of Carbon Taxes and ETSs**

<table>
<thead>
<tr>
<th>ETS and Carbon Tax Implemented or Scheduled</th>
<th>Carbon Tax Implemented or Scheduled for Implementation</th>
<th>ETS Implemented or Scheduled for Implementation</th>
<th>ETS or Carbon Tax Under Consideration</th>
</tr>
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</table>

Instruments are considered “scheduled for implementation” once they have been formally adopted through legislation and have an official, planned start date. Instruments are considered “under consideration” if the government has announced its intention to work toward the implementation of a carbon pricing initiative and this has been formally confirmed by official government sources. Some countries that have mechanisms implemented also have additional instruments under consideration. For subnational jurisdictions only the subnational instrument is reflected.

Source: Fig. 5, p. 23 State and Trends of Carbon Pricing 2023.
In Germany, the Fuel Emissions Trading Act established in 2019 a national ETS for the heat and road transport sectors, currently not covered by the EU ETS, to start in 2021 and with a cap based on Germany’s mitigations targets. Following the 2022 energy crisis the country postponed the implementation of some conditions including the planned increase in CO₂ price and the extension of the system to other sectors.

In Switzerland, a bilateral offset programme called Kik was established for A6. 11 countries have so far joined the programme.

Following the UK’s departure from the EU, a UK ETS was established in 2021 with very similar features to the EU one.

In the US some states including Washington, Oregon, California and Massachusetts have started implementing their own ETS. California’s carbon cap-and-trade programme, launched in 2013, is one of the largest multi-sectoral emissions trading systems in the world. The system puts a ceiling on the emissions of approximately 450 entities responsible for 85% of California’s emissions, and adopts alternative compliance mechanisms. It also includes a memorandum of understanding with the Mexican state of Chiapas and the Brazilian state of Acre to develop sector-based offsets from REDD projects, but currently no REDD projects have been approved by the California Air Resources Board.

Figure 2: Map of national and subnational crediting mechanisms

Legend

- Implemented
- Under Development

Circles represent crediting mechanisms in subnational jurisdictions and cities. "Implemented" crediting mechanisms have the required framework (e.g., legislative mandate) as well as the supporting procedures, emission reduction protocols and registry systems in place to allow for crediting to take place. For subnational jurisdictions, the colour reflects the status of subnational instruments.

Source: Fig. 12, p. 36 State and Trends of Carbon Pricing 2023.
Efforts to oppose carbon markets

UNFCCC

There are a number of networks and initiatives opposing carbon markets and other false climate solutions at the UN level.

Awareness raising

Some of these efforts have been focused on raising awareness of the risks and pitfalls of carbon markets on the UNFCCC stage. A number of networks and organisations have published briefings\(^{18}\) and reports, hosted press conferences\(^{19}\) and staged actions at COPs. This is a crucial point of intervention to put carbon markets on the radar of negotiators, social movements, and press attending the UN conferences. It has been, and continues to be, a crucial movement-building tool as well as an opportunity to gain coverage in the media.

Policy and advocacy

It has been crucial for the climate justice movement to follow developments in the UN sphere around carbon markets and other false climate solutions, in order to intervene in policy discourse with collective and coordinated advocacy efforts. This has for example included coordinated efforts to respond to the Supervisory Body on A6.4 consultations across 2023 - including a consultation in February 2023 to which Friends of the Earth International and allied organisations responded, and a cross-constituency open letter in July 2023.\(^{20}\) Although carbon markets were enabled under the Paris Agreement at COP26, and our overall stance remains a complete opposition to carbon markets and false climate solutions, it is crucial that we continue to oppose any attempt for these false climate solutions to gain more ground in the UNFCCC sphere and at regional and national level. Groups can participate in those efforts by engaging with advocacy activities, signing on to open letters, and lobbying their own governments to oppose false climate solutions in the UNFCCC negotiations.

These networks and coalitions are working to oppose carbon markets and offsets globally:

- Global Campaign to Demand Climate Justice
- Hands Off Mother Earth

Regional efforts

Civil society is also mobilising to oppose carbon markets at the regional level. In Europe, the Real Zero Europe coalition is raising the alarm on the EU Carbon Removal Certification Framework (CRCF) with campaign efforts including awareness raising, petitions, advocacy letters and movement-building.

In Latin America, the Demand Climate Justice Latin America & Caribbean regional group aims to coordinate the efforts of civil society groups, including around issues related to carbon markets and false solutions.

National efforts

By intervening at the national level, we can better ensure that local communities are empowered to reject carbon markets when they are being set up, and to use direct advocacy with national governments to prevent such schemes from being set up in the first place.

In Malaysia, Sahabat Alam Malaysia (SAM - Friends of the Earth Malaysia) submitted a memorandum to the government providing a critical perspective on the carbon market. The memorandum called for real solutions via strengthening Indigenous rights, supporting community-based approaches and optimising the use of regulatory policies that set product, performance and technology standards for emission reduction, as opposed to the carbon market. SAM also conducted workshops and strategy meetings to raise awareness and mobilise civil society organisations and community-based organisation partners for joint advocacy against false climate solutions.
How to oppose carbon markets

Keep track

Carbon markets are proliferating at all levels from the local to the global. It is crucial for the climate justice movement to keep track of the development of such initiatives so we can collectively keep on opposing carbon markets wherever they are set up. Because of the scale and increasing number and variety of carbon market initiatives and schemes, only through collaborating and exchanging crucial information can we have a chance at keeping track and building a united front against carbon markets.

Stand in solidarity with frontline communities

We need to stand in solidarity with those communities on the frontlines of the carbon markets expansion. This includes sharing their stories and sounding the alarm globally about how they are impacted.

Advocacy efforts

As the carbon market economy develops and the threats expand, we need to keep intervening in the policy sphere to prevent carbon markets and offsets schemes gaining any more ground. This includes analysing laws and frameworks as they are introduced, responding to consultations by policy makers to voice our demands, as well as lobbying our governments to oppose and reject carbon markets at all levels.

Friends of the Earth International is working at the global level to try and block the advance of carbon markets at the UNFCCC but we also need advocacy around Article 6 to happen at the national level as this will determine positions that countries and blocks of countries take, and therefore the outcomes globally. Currently very few global South or global North country governments oppose carbon markets and it is extremely difficult to build resistance in the same way as it is around, say, Loss and Damage where clear champions are fighting for shared goals. We need to create a core block of countries who can oppose the carbon markets agenda at the UNFCCC, or certainly elements of that agenda.

Furthermore, there is limited knowledge of, and opposition to the various national carbon markets schemes happening globally. Friends of the Earth International is not able to follow at such a level of detail, and it is crucial that these national policies are scrutinised, opposed and rejected.

Build a united front

It is also crucial that we keep raising awareness about carbon markets to counter the lobbying, greenwashing and PR efforts of the industry to sell these initiatives as climate solutions or climate finance. We cannot allow for parts of the movements to succumb to the temptation of promised climate finance through carbon markets that will harm communities and ecosystems across the world, and further delay the real, deep, urgent emissions reductions we so direly need. We need a strong and united climate justice front to push back against the increasing threat of carbon markets and offsets.

Raise awareness

Popular education and awareness raising is also needed in local communities. Indigenous Peoples, family/peasant farmers, and communities in the Global South are among those being evicted from their lands to make way for projects to generate carbon credits for the benefit of Big Polluters. They are already defending their lands from multiple threats, but it is important communities understand the new threats generated by carbon market expansion. Popular education materials, workshops and knowledge exchanges between communities could be ways to help build knowledge and capacity on the frontlines. Legal tactics and campaigns to protect community land could also be appropriate.
**Campaigning**

Wherever and whenever we can, we must take action against carbon markets and false climate solutions. Carbon markets sometimes seem complex and policy orientated, but it’s crucial to try and popularise why they are bad, highlight the fact that they grab land, they don’t work and that they are an escape hatch for big polluters. From stunts that raise awareness and voice our demands to solidarity actions with frontline communities, we need to keep showing that people power is stronger than the profit-driven industry fueling the climate crisis.

**Media tactics**

Increasingly we have seen exposés of carbon markets and offsets in the media that help to dismantle any idea that carbon markets work. Consider amplifying existing stories or undertaking research, possibly together with a media outlet, to expose carbon market failures in your context.

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**Legal tactics**

Climate litigation is an increasingly successful tactic for challenging corporate power and bad climate policy to bring about change. It is still relatively untested in the area of carbon markets or offsets, but there is scope for bringing about legal challenges to the veracity of emissions reductions, or on the basis of damage caused to communities, or indeed around false claims made about effectiveness of emissions reductions or specific projects. This is fertile ground to explore.

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**A note on the IPCC**

The *IPCC Synthesis Report published in March 2023* once more sounded the alarm on the state of the climate and the need for drastic and urgent action. However, it also puts dangerous negative emissions technologies on the table.

The report represents an important piece of science-based evidence that the climate crisis is reaching unprecedented levels, with impacts increasing in violence and frequency, and that action is needed urgently to cut emissions and to achieve transformational system change. Whilst we need to echo the resounding urgency conveyed by the IPCC, we must also warn against some of the presumptions embedded in some scenarios around overshooting 1.5 degrees and using carbon dioxide removal technologies to try and reduce emissions and stabilise temperatures. To achieve an equitable, justice-centred phase out of fossil fuels, we cannot rely on negative emissions technologies.

The IPCC Synthesis Report itself warns that “Overshoot entails adverse impacts, some irreversible, and additional risks for human and natural systems, all growing with the magnitude and duration of overshoot.”**2** There can be no space for negative emissions technologies and removals in justice pathways to real zero emissions, because they rely on technologies that are neither proven nor efficient, and that put our communities at risk.
How to find information on your country and offset projects

Any government that participates in Article 6 has to submit mandatory reports that will be available on the UNFCCC website. Each international voluntary carbon market or scheme has a centralised registry - an online database that stores project information and a summary of which are publicly available.

Below are some of sources of information:

**Country information**

- Every Party to the Paris Agreement Article 13 has to submit a country report (Biennial Transparency Report) every two years. This report includes a section on A6 national arrangements and activities. From 2024 onward, participating parties to A6 also have to file annual reports. These will be available on the UNFCCC website.

- A UNFCCC live list of countries that expressed intent to participate in the A6.4 Mechanism. Setting up a government office (DNA - Designated National Authority) that oversees domestic A6.4 activities and procedures is a mandatory prerequisite to join the A6.4. As of mid-October 2023, 62 countries have submitted such an arrangement.

**Voluntary carbon market (VCM) schemes**

- **AlliedOffsets**: a cross-platform database of offset projects, often used by media and civil society organisations. (Subscription required to search its extensive project database.)

- **Verra Registry**: Verified Carbon Standard (VCS) Program is the world’s most widely used greenhouse gas crediting programme.

- The Gold Standard (GS) registry.

- Climate Action Reserve registry.

- American Carbon Registry (ACR) registry.

- Global Carbon Council (GCC) registry.

- Architecture for REDD+ Transactions (ART) registry.

**Bilateral and multilateral trading schemes**

- CORSIA Central Registry.

- Clean Development Mechanism (CDM) registry.

- JCM (Japan) project information.

- Forest Carbon Partnership Facility (FCPF): run by the World Bank.
‘Big Polluters’ are highly polluting industries, countries and corporations.

See Friends of the Earth International’s toolkit for fighting climate false solutions, including a bank of evidence on the negative impacts of ‘nature-based solutions’, November 2023.

“Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows”, The Guardian, January 2023.

For more about the ‘fair shares’ approach, see the Civil Society Equity Review website.

Removals originally referred to a naturally occurring process, such as land and marine plants absorbing carbon from the atmosphere. However the term is becoming increasingly problematic: removals include both dubious processes like ‘Nature Based Solutions’ (NBS – trees, oceans, soils absorbing carbon); and highly risky techno-fixes like Bioenergy with Carbon Capture and Storage (BECCS) and Direct Air Carbon Capture and Storage (DACCS).

Information note: Removal activities under the Article 6.4 mechanism. UNFCCC document, May 2023.

See Intersessional work on Art. 6.4 Virtual technical workshop: Transition of activities from the CDM to the Article 6.4 Mechanism, UNFCCC document, September 2022.

Policy update, ICAO, February 2017

See more on cap-and-trade and offset schemes in Carbon markets at COP25, Madrid: A threat to people, politics, and planet, Friends of the Earth International, November 2019


See more on the EU ETS in The EU Emissions Trading System: failing to deliver, Friends of the Earth Europe, October 2010

How additional is the Clean Development Mechanism?, Öko-Institut, March 2016.


Carbon Pricing Dashboard, World Bank, 2023

State and Trends of Carbon Pricing 2023, World Bank Open Knowledge Repository, May 2023

Ibid.

Read the Global Campaign to Demand Climate Justice (DCJ) briefing: “End financing and promotion of false solutions”, June 2023.

Watch a recording of the DCJ press briefing, held on 8 June 2023, at UNFCCC intersessional meeting in Bonn, Germany.

Read the DCJ letter “Civil society groups raise concerns over increasing push for carbon markets, offsets, and false solutions like geoengineering and land based removals during climate negotiations”, 10 July 2023

See the Synthesis Report of the Sixth Assessment Report by the Intergovernmental Panel on Climate Change, and Friends of the Earth International’s reaction, March 2023.

See more on the pitfalls of overshoot in the IPCC report in IPCC Unsummarized: Unmasking Clear Warnings on Overshoot, Techno-fixes, and the Urgency of Climate Justice, April 2022, CIEL.
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