



Private sector carbon market report evokes more concern than hope

Carbon Market Watch's reaction to the publication of the report by the task force on scaling up voluntary carbon markets

BRUSSELS 27 January 2021 The report of the “Taskforce on Scaling Voluntary Carbon Markets” proposes the creation of updated quality criteria for carbon offsets and standardised reporting requirements but also leaves the door open for poor quality and old credits. Carbon Market Watch calls on the task force to establish a credible oversight mechanism and strong rules for voluntary markets moving forward.

A private sector-led task force composed of the world’s major financial institutions, oil and gas companies, and carbon market actors today published a report outlining steps to scale up the voluntary carbon market. The aim of the task force was to provide a framework for increasing the size of voluntary carbon markets. Its recommendations include a long list of steps to be taken towards that goal.

Sabine Frank, Executive Director of Carbon Market Watch said:

“Private sector investment in climate action is a welcome and needed initiative. But more financial activity does not necessarily translate into more climate action and concrete benefits on the ground. What we’re seeing in this report does not convince us yet that the old days of carbon offsets for greenwashing are over.

We call on all investors and financial institutions involved in the task force to ensure their money is spent in ways which work for climate and for the people.”

The initiative’s real impact will hinge mainly on the integrity of the new bodies it aims to establish to govern the market. But the task force does not put forward any concrete measures to curtail the transition of decade-old offsets, prevent the use of illegitimate forestry credits, or credibly prevent greenwashing. It also fails to recognise the important risk of double counting under the Paris Agreement.

DATE 27/01/2021



Sabine Frank:

“We hoped that this initiative would learn from the many carbon offset failures of the past, but the task force has not yet addressed the real problems, and risks to promote the “business as usual”. Going forward, establishing credible oversight to enforce better rules for voluntary carbon markets will be the litmus test of success for this task force.”

The task force is now moving into phase 2 after the presentation this week and collaborating with the COP26 team. The next steps will be essential to understand if the private sector behemoths leading this task force are serious about climate action, or just looking for new investment opportunities regardless of the quality-related issues on the market.

-ENDS-