

# COP26 Article 6 Adoption Opens Door to Billions of Dollars of Investment in Voluntary Carbon Markets

**Rigorous, structured cross-border carbon trading to aid finance to achieve carbon cuts at lower costs**

LONDON, Nov. 15, 2021 /[PRNewswire](#)/ -- Voluntary carbon markets (VCMs) have the potential to play a pivotal role in closing the gap between what governments can deliver and what the world needs to achieve to deliver on the Paris Agreement, according to the latest analysis by S&P Global Platts.

The value of the VCM market is now more than \$1 billion and forecast to increase fifteen-fold by 2030, according the Taskforce on Scaling the Voluntary Carbon Markets.

**Paula VanLaningham, head of carbon pricing, S&P Global Platts, said:** "Sunday's adoption of Article 6 has opened the door for billions of dollars of investment to flood into the Voluntary Carbon Markets over the next several years. Crucially, Sunday's agreement around Article 6 creates a system that will avoid the potential double-counting of offset emissions between countries, which will help to lend much-needed credibility to the emissions markets in the coming years."

"The decision to limit the number of older Clean Development Mechanism Credits that can be claimed in national targets will lend further credibility to these markets and will, critically, increase the overall price of carbon offsetting, thereby encouraging additional emissions reductions," she noted.

Further, VanLaningham explained, "the new scheme also empowers those countries – many in the Global South – who produce the bulk of the credits on the carbon market, to make their own decisions about which credits they offer for sale on the international market. It also provides them with the opportunity to meet their own national targets with the credits generated by projects within their own borders."

"While there is a lot of work to be done to ensure that the Voluntary Carbon Markets are able to play the role they need to play to meet the objectives of the Paris Climate Agreement, the adoption of Article 6 – long one of the most contentious, unsolved complications of the Treaty – ensures that there is a confirmed role for the market moving forward. This unlocks the potential for a heavy, and much needed increase in green financing for climate projects that can make a real difference in the fight against global heating."

"Rigorously structured and accountable carbon trading across borders will help drive new flows of finance that can achieve real, incremental reductions at lower cost," VanLaningham said.

"Markets can drive cost-effective decisions that recognize differences in abatement potential across geographies and allow for accomplishing more with less of burden."

## PRICE TRANSPARENCY

The transparency provided the S&P Global Platts suite of VCM assessments increasingly is relied upon by market participants. S&P Global Platts launched the market's first daily voluntary carbon credit assessments with the publication of [Platts CEC](#), representing [CORSIA-eligible](#) carbon credits in January 2021. These new prices have surged by 944% in 2021, with the value pegged at \$8.35 per metric ton (/mt) at the close on Nov. 12. Throughout this year, Platts has expanded its suite of VCM assessments to include Platts CNC, which reflects nature-based carbon credits as well as a variety of project types including removal, avoidance, renewable and methane collection credits.

## CONTACT

### S&P Global Platts

Americas: Kathleen Tanzy, + 1 917-331-4607, [kathleen.tanzy@spglobal.com](mailto:kathleen.tanzy@spglobal.com)

### About S&P Global Platts

At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing, and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil, gas, LNG, power, petrochemicals, metals, agriculture, and shipping.

S&P Global Platts is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.platts.com](http://www.platts.com).

### SOURCE S&P Global Platts

For further information: Americas: Kathleen Tanzy, + 1 917-331-4607, [kathleen.tanzy@spglobal.com](mailto:kathleen.tanzy@spglobal.com), Asia: Melissa Tan, + 65-6597-6241, [Melissa.tan@spglobal.com](mailto:Melissa.tan@spglobal.com); EMEA: Alex Brog +44 207 176 7645, [alex.brog@spglobal.com](mailto:alex.brog@spglobal.com)

<https://press.spglobal.com/2021-11-15-COP26-Article-6-Adoption-Opens-Door-to-Billions-of-Dollars-of-Investment-in-Voluntary-Carbon-Markets>



# S&P Global Platts