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Governments in Global South get dedicated support to tap into carbon markets with new toolkit

Comprehensive guide allows policymakers to navigate different carbon markets to help finance national climate strategies and sustainable development goals.

LONDON, UNITED KINGDOM, August 18, 2025 /EINPresswire.com/ -- A new toolkit will help emerging markets and developing economies decide how best to generate and sell carbon credits to access climate finance, accelerate innovation and help close the $1.3 trillion climate finance gap.

> VCMI's Carbon Markets Access Toolkit provides the strategic framework that countries like Panama need to participate meaningfully in carbon markets."
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> *Oscar Vallarino, Deputy Minister of the Environment, Panama*

The Carbon Markets Access Toolkit provides a step-by-step guide for governments to decide whether and how to engage with regulated and voluntary carbon markets, as well as those facilitated under Article 6 of the Paris Agreement. Developing countries need an estimated $2.7 trillion annually by 2030 to fund their climate and nature-related goals, with $1.3 trillion needed in international support.

The toolkit addresses key decision points, including if and when to enter carbon markets, how to use them to finance national climate and development strategies and develop a strategy for Article 6, how to address legal and institutional considerations, and how to host high-quality carbon projects.

Only 15 per cent of global climate finance reached emerging markets and developing economies, excluding China, in 2022. According to the World Bank, carbon markets could halve the cost of implementing national climate strategies, and for Africa alone, voluntary carbon markets could reach an estimated USD 1.5 trillion by 2050.

However, emerging markets and developing economies struggle to leverage carbon markets at present because developing the necessary policy and infrastructure requires specialized knowledge and tailored resources, among other barriers.

“Emerging markets and developing economies urgently need finance to support climate-positive growth and drive the global transition to net zero,” said Mark Kenber, Executive Director of VCMI.

“Carbon markets provide significant opportunities for governments to channel international private sector finance towards national and global climate goals by leveraging new sources of capital, technology and skills. However, their complexity often presents a major barrier to participation and reduces the potentially transformative impact they can have.

“This toolkit provides a clear and comprehensive roadmap for governments to determine the most appropriate level and type of engagement according to their national circumstances and priorities and so ensure that carbon market activities deliver truly transformational outcomes.”

The toolkit, which is available in English, French, Spanish and Portuguese, was produced by the Voluntary Carbon Markets Integrity Initiative (VCMI) in partnership with Climate Focus and the United Nations Development Program (UNDP), as part of VCMI’s Access Strategies Program. It aims to help policymakers identify how to participate meaningfully in carbon markets and access carbon finance to help fund climate plans, known as Nationally Determined Contributions (NDCs), and achieve the UN’s Sustainable Development Goals (SDGs). Nature-based carbon credits that go beyond emissions reductions can also help countries value their natural resources and protect biodiversity.

“Navigating carbon markets is complex and constantly evolving,” said Leticia Guimarães, Head, Carbon Markets, UNDP.

“Informed policymakers are better positioned to make strategic decisions on how their countries can engage with carbon markets to unlock private finance and advance climate and development goals. Resources like the Carbon Markets Access Toolkit provide the clarity and support needed to guide these decisions in alignment with national priorities.”

Modeling suggests that global carbon credit markets could be worth up to $35 billion by 2030. This finance in turn could generate up to seven times as much impact in terms of additional investment, technology transfer and community benefit.

“Governments in emerging markets and developing economies have a unique opportunity to harness the catalytic power of high-integrity carbon markets to unlock debt-free climate finance,” said Amy Merrill, CEO, Integrity Council for the Voluntary Carbon Market (ICVCM).

“VCMI’s updated Carbon Markets Access Toolkit is a vital resource to help countries strategically engage with carbon markets, align with Article 6, and deliver on their climate and sustainable development goals, while ensuring integrity through the Integrity Council's Core Carbon Principles.”

VCMI launched its Access Strategies Program in 2021 to provide tailored technical assistance, policy support and capacity-building to governments around the world. Each Access Strategies project is designed and implemented in response to locally identified needs and delivered with local partners.

"Carbon finance holds immense potential as a building block to advance national economic resilience, social equity, climate action, and biodiversity prosperity, all while unlocking new streams of capital for countries facing the deepest climate funding gaps and the greatest climate vulnerability," said H.E. Mohamed Nasheed, Secretary-General of the Climate Vulnerable Forum and former President of Maldives.

According to a new independent evaluation report, the program has supported governments across the Global South to access carbon markets through a total of 20 projects, including national initiatives in Benin, Brazil, India, Kenya, Mexico, Pakistan, Panama, and Peru.

For example, VCMI worked with Inter-American Institute for Cooperation on Agriculture (IICA) to raise awareness and capacity among agriculture ministers across Latin America to tap into the potential for mitigation and carbon finance in agriculture. This led to the creation of the Partnership for Agricultural Carbon (PAC) to provide ongoing support to agricultural ministries and the agriculture community across the region.

In Mexico, VCMI supported the government of Yucatán to address concerns over the unfair treatment of local communities in voluntary carbon market projects. Through engagement with Indigenous communities, the program developed a state roadmap and best practice guide for engaging with carbon markets and hosted six workshops to reach local communities, policymakers and project developers.

And in Benin, the Access Strategies program supported the development of a decision matrix tool to guide the government's evaluation and approval of carbon projects for Article 6 and VCMs. The country has identified an investment gap of €10 billion (approximately $11.3 billion) by 2030 to fund its climate goals.

"As a country committed to climate action and sustainable growth, Panama recognizes the critical role of voluntary carbon markets in closing the $2.7 trillion annual climate finance gap," said Oscar Vallarino, Deputy Minister of the Environment, Panama.

"VCMI's Carbon Markets Access Toolkit provides the strategic framework that countries like Panama need to participate meaningfully in carbon markets. This tool addresses key decision points: when to enter carbon markets, how to use them to finance national climate strategies, and how to develop an Article 6. As countries develop financing strategies to achieve their nationally determined contributions ahead of COP30, we recommend to adopt this strategic approach for a more sustainable future."

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