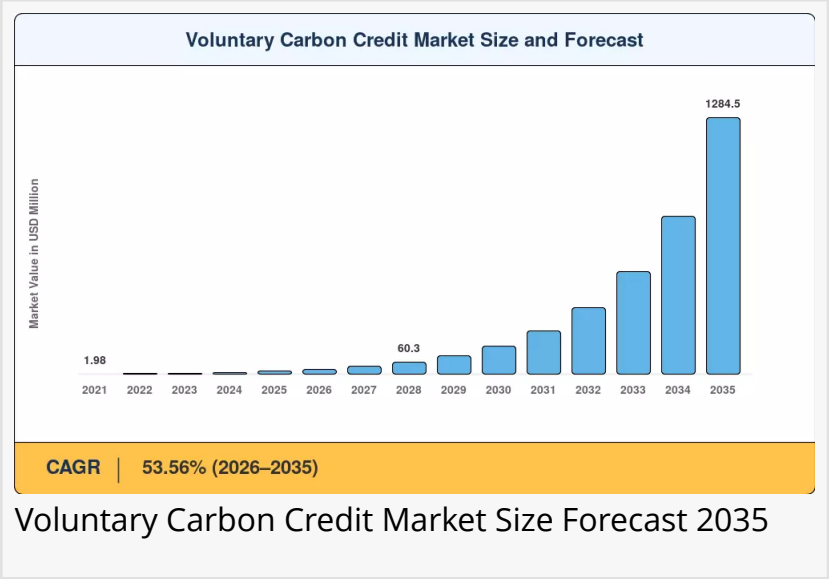
Voluntary Carbon Credit Market Boost at a CAGR of 48.22%, To Reach USD 242.11 Billion by 2035

Voluntary Carbon Credit Market estimated USD 16.72 billion in 2025 and is projected to reach USD 25.62 billion by 2026 climbing to USD 1,284.50 billion by 2035



Voluntary Carbon Credit Market Size Forecast 2035

NY, CA, UNITED STATES, June 8, 2026 /EINPresswire.com/ -- According to Market Research Future (MRFR), the global Voluntary Carbon Credit Market share was estimated at USD 3.191 billion in 2024 and is projected to expand from USD 4.73 billion in 2025 to USD 242.11 billion by 2035, exhibiting a CAGR of 48.22% across the forecast period. This trajectory makes voluntary carbon credits not just one of the fastest-growing segments in climate finance, but one of the fastest-growing financial markets of any kind in the current decade.

> world's relationship with voluntary carbon credits is entering its most consequential decade by regulatory architecture, corporate governance obligations, and a post-COP29 international framework"
>
> *Priya Nagrale*

This article breaks down what is driving that extraordinary growth, where structural friction points lie, and which credit types, standards, and regions will define the decade ahead supported by data from authoritative government bodies, international agencies, and globally recognized research institutions.

Key Players in the Market

The competitive landscape of the global Voluntary Carbon Credit Market is moderately fragmented, with competition centered not primarily on price but on the credibility of standards, depth of project pipelines, geographic diversification, and technological innovation in MRV and registry infrastructure.

Prominent companies cited across market reports include Verra (United States), Gold Standard (Switzerland), Climate Action Reserve (United States), American Carbon Registry (United States), Plan Vivo (UK), Carbon Trust (UK), South Pole (Switzerland), EcoAct (France), and Natural Capital Partners (UK). These organizations compete on standard credibility, project category breadth, technology integration, geographic presence, and alignment with the ICVCM's Core Carbon Principles and Article 6 frameworks.

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The Article 6 Engine: The Global Policy Framework Finally Goes Operational
No single development has done more to unlock the structural potential of the voluntary carbon credit market than the Article 6 agreements reached at COP29 in Baku, Azerbaijan in November 2024. After nearly a decade of negotiations since the Paris Agreement was signed at COP21 in 2015, negotiators at COP29 finalized the core rulebook needed to operationalize both Article 6.2 bilateral carbon credit trading between countries and Article 6.4 the centralized UN-supervised Paris Agreement Crediting Mechanism (PACM).

According to analysis published by the UNFCCC (unfccc.int) and multiple legal and climate policy institutions, COP29 delivered four formal decisions on Article 6, including the final agreements necessary for the international carbon market mechanisms to become operational, with implementation accelerating from 2025 onward. On the opening day of COP29 alone, the Presidency passed a critical Decision on Article 6.4 standards, which COP29 lead negotiator Yalchin Rafiyev described as a "critical step" toward future climate action.

The World Bank's State and Trends of Carbon Pricing 2025 report released in June 2025 provides the definitive institutional quantification of what this regulatory architecture means at scale. According to the World Bank (worldbank.org), carbon pricing revenues exceeded USD 100 billion in 2024, and there are now 80 carbon pricing instruments in operation worldwide, up from just 5 in 2005. Carbon pricing now covers approximately 28% of global greenhouse gas emissions, up from 24% in 2023, with all large middle-income economies having either implemented or actively considering direct carbon pricing. The average carbon price for implemented instruments has nearly doubled in real terms over the past decade from just above USD 10 per tonne in 2015 to approximately USD 19 per tonne in 2025.

This policy momentum creates a structural demand floor for voluntary carbon credits that operates independently of any individual corporate sustainability program. As more jurisdictions bring compliance-linked demand into the market, the boundary between voluntary and compliance carbon markets is progressively blurring and voluntary credits that meet high-integrity standards are increasingly being considered for compliance use.

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The Corporate Net-Zero Supercycle: An Unprecedented Demand Driver

The single most powerful demand driver in the voluntary carbon credit market is the explosive growth of corporate net-zero commitments and the latest data from the Science Based Targets initiative confirms that this trend accelerated sharply in 2025.

By the end of 2025, a total of 9,764 companies held SBTi-validated climate targets representing a 40% increase compared to 2024. The growth in net-zero commitments specifically was even more pronounced, climbing 61% over the same period. By January 2026, SBTi surpassed 10,000 companies with validated science-based targets, with more than 12,000 firms having either validated or committed to setting such targets by year-end 2025. The number of organizations with climate targets has more than tripled since 2023.

Asia has emerged as the new center of gravity for this corporate commitment wave, representing the fastest-growing regional contributor to SBTi validated targets a development that directly points to future demand growth for voluntary carbon credits in Asia-Pacific, the market's most important emerging-demand geography.

These commitments create an irreversible structural demand driver: companies with SBTi-validated net-zero targets cannot achieve their stated goals without procuring credible carbon credits to cover residual emissions that cannot be eliminated through operational decarbonization alone. The SBTi's Corporate Net-Zero Standard updated to V1.3 in September 2025 with further revisions underway in V2 defines precisely what role carbon credits can and cannot play in reaching net-zero, creating a quality-differentiated demand tier that favors high-integrity credits over low-quality offsets.

Market Segmentation: What the Breakdown Reveals

By Credit Type

Nature-based Solutions (NbS) held the largest share of the Voluntary Carbon Credit Market in 2024, with a valuation of approximately USD 0.96 billion. These credits generated by reforestation, afforestation, avoided deforestation (REDD+), improved forest management, and ecosystem restoration projects are favored for their co-benefits to biodiversity, watershed protection, and local community livelihoods. The World Bank's State and Trends report confirms that forestry and land-use projects represent a significant share of the approximately 1 billion unretired credits currently held in independent crediting mechanism registries though quality differentiation within this category is sharper than in any other segment.

Renewable Energy credits represent the fastest-growing credit type segment, driven by increasing corporate investments in wind, solar, and other clean energy projects that directly generate verified carbon credits alongside their electricity output. The IEA's Global Renewable Capacity data shows that renewable capacity surged by 585 GW in 2024 the fastest annual growth ever recorded creating an expanding pipeline of renewable energy project credits as developing nations seek international carbon finance to accelerate their own clean energy transitions.

Energy Efficiency and Industrial Process credits round out the market, with the former growing steadily as industrial decarbonization programs across steel, cement, and chemicals generate verified efficiency credits that increasingly qualify for ICVCM CCP labeling.

By Standard
Gold Standard commands the largest share of the standards segment, renowned for its rigorous verification process, emphasis on Sustainable Development Goal co-benefits, and strong alignment with high-integrity market requirements. Gold Standard's September 2025 launch of collaborative carbon offset programs with local governments in Southeast Asia signals continued geographic expansion.

Verra which operates the Verified Carbon Standard (VCS), the world's largest voluntary carbon registry is the fastest-growing standard by new credit issuance and project pipeline. After ICVCM approved Verra's Landmark VCS Program as CCP-Eligible in early 2024, Verra aligned its methodologies with ICVCM standards and announced transitions to revised approaches. In August 2025, Verra announced a new initiative to enhance transparency in carbon credit transactions through blockchain technology directly addressing concerns about credit authenticity and positioning the program as a technological leader.

The American Carbon Registry (ACR) and Climate Action Reserve (CAR) both now CCP-Eligible anchor the North American market with deep integration into U.S. regulatory and voluntary frameworks.

By Verification Level
Third-party Verified credits dominate the market, valued at approximately USD 1.5 billion in 2024, reflecting the premium that institutional buyers place on independent validation. As the EU's Corporate Sustainability Reporting Directive (CSRD) and the SEC's climate risk disclosure rules raise Scope 3 reporting standards, the credibility of carbon credit portfolios is increasingly subject to external audit making third-party verification a non-negotiable requirement for large-cap corporate buyers.

Self-Asserted credits, while the fastest-growing verification sub-segment by count as smaller organizations enter the market, face increasing scrutiny from NGOs, investors, and CSRD auditors. The regulatory trajectory strongly favors third-party verification and the CCP label as the minimum credibility standard for institutional procurement.

By Project Location
Developed Countries hold the largest project location share by value, anchored by North American and European project pipelines with established regulatory environments. Emerging Markets are the fastest-growing project location segment, driven by rising foreign investment in Asia-Pacific and Latin American carbon projects and growing engagement with Article 6.2 bilateral mechanisms. Sub-Saharan Africa characterized by vast natural carbon sinks and

reforestation potential remains early-stage but represents the highest long-run potential for nature-based project development, constrained currently by funding access and regulatory infrastructure.

By Project Size
Large-scale projects held the largest market share in 2024 at approximately USD 1.956 billion, reflecting the economics of institutional carbon credit procurement. However, small-scale community-driven projects are the fastest-growing segment, supported by growing grassroots demand, lower implementation barriers, and alignment with the co-benefit criteria favored by Gold Standard and the ICVCM's sustainable development requirements.

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Regional Landscape: North America Leads, Asia Accelerates
North America: Carbon Credit Innovation Hub
North America accounts for approximately 45% of global voluntary carbon credit transactions, driven by stringent state-level environmental regulations, robust corporate sustainability commitments, and the world's deepest concentration of high-integrity carbon-crediting programs and institutional buyers. The United States hosts Verra, Climate Action Reserve, and the American Carbon Registry three of the five ICVCM CCP-Eligible programs alongside the deepest pool of Fortune 500 sustainability procurement teams globally.

State-level policy continues to reinforce demand. California's cap-and-trade program which formally links with Quebec and is one of the most mature compliance carbon markets outside the EU creates a compliance-to-voluntary credit price signal that anchors the broader North American voluntary market. As more U.S. states explore carbon pricing mechanisms, the compliance-voluntary boundary will continue to compress, adding structural demand to the voluntary market's growth trajectory.

Europe: Sustainable Development Leader
Europe commands approximately 30% of the global voluntary carbon credit market, driven by the EU's Green Deal policy architecture and the CSRD's mandatory climate disclosure and assurance requirements. Germany, France, and the UK are the primary country-level contributors, home to major market participants including Gold Standard, EcoAct, and Natural Capital Partners.

The French government's April 2025 commitment to the ICVCM's Core Carbon Principles in its national "Charter for Paris-aligned and high integrity use of carbon credits" represents a model of sovereign endorsement that other EU member states are expected to follow, creating a government-led quality assurance signal that shapes corporate procurement standards across the region.

The EU's CSRD extending mandatory Scope 3 emissions disclosure and third-party assurance requirements to a growing universe of companies is structurally reshaping European corporate demand toward verified, third-party auditable carbon credits that can withstand external assurance scrutiny.

Asia-Pacific: Emerging Carbon Market Powerhouse
Asia-Pacific holds approximately 15% of global voluntary carbon credit market share, but represents the fastest-growing demand region driven by the SBTi's latest annual report, which identified Asia as the new center of gravity for corporate climate target-setting in 2025. China's expansion of its Emissions Trading System to cover steel, cement, and aluminum in 2024 now covering approximately 15% of global emissions, according to the Institute for Climate Economics (I4CE) is creating compliance-to-voluntary arbitrage dynamics that accelerate voluntary procurement.

India, Indonesia, and Japan are each at different stages of developing domestic carbon market frameworks, and the Article 6.2 bilateral mechanisms are beginning to channel project development finance into high-potential Asian project geographies. South Korea is growing at an estimated 16% CAGR through 2035, driven by corporate sustainability commitments from Samsung, LG, and Hyundai affiliates.

Middle East and Africa: Resource-Rich Carbon Frontier
The Middle East and Africa region currently holds approximately 10% of global market share, with South Africa and the UAE as leading participants. South Africa's carbon tax progressively strengthened since its 2019 launch is creating compliance demand that spills over into voluntary procurement. The UAE's National Net Zero by 2050 Strategic Initiative and its role as host to Abu Dhabi's emerging carbon exchange position the Gulf as an increasingly active buyer and host for international carbon projects.

Sub-Saharan Africa presents the highest long-run potential for nature-based project development, anchored by its extraordinary biodiversity, tropical forest cover, and grassland ecosystems. Article 6.2 bilateral agreements are beginning to direct European and Asian capital into African project development a trend that the World Bank's carbon finance programs are actively supporting.

South America: Latin American Project Pipeline
South America is witnessing rapid growth in both project development and corporate demand, particularly in Brazil where the government is actively developing an Emissions Trading System expected to launch in 2025–2026, creating an infrastructure that formalizes both compliance and voluntary carbon market activity. Brazil's extraordinary biodiversity and tropical forest resources position it as one of the world's largest potential suppliers of high-quality nature-based credits, provided governance and permanence standards are rigorously applied.

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Larry Wilson
WantStats Research And Media Pvt. Ltd.
+ +1 855-661-4441
email us here
Visit us on social media:
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