New report sets out policy options to strengthen domestic carbon credit markets

Voluntary Carbon Markets Integrity Initiative and Climate Focus publish report to support countries to build high-integrity domestic carbon credit markets.

LONDON, UNITED KINGDOM, September 16, 2026 /EINPresswire.com/ -- A new policy report guiding governments on how to build and scale their domestic carbon credit markets and bolster investment into national mitigation activities has been launched.

> “Closing national climate finance gaps has never been so important, as the effects of climate change continue to intensify around the world.”
>
> *George Hodgetts, Manager for Policy and Partnerships at VCMI*

The new report by the Voluntary Carbon Markets Integrity Initiative (VCMI) and Climate Focus examines a wide range of policy instruments that countries have successfully implemented to strengthen domestic carbon credit markets. It presents a wealth of measures countries can use to build strong domestic carbon credit markets, consistently attract investment into these markets and support and encourage the development of high-quality carbon projects.

It recognizes the widening climate finance gap affecting most countries, at a time when the impacts of climate change are intensifying and conventional public finance sources are insufficient to shore up much needed funding. The global annual climate finance gap stands at $1.3 trillion, with urgent support needed to ensure domestic carbon finance can flow into priority emissions reduction and removal projects in the countries, regions, and sectors where it is needed most.

Recommended policy measures are presented in the new report as a range of options countries can tailor to their specific needs, ensuring that domestic carbon credit markets are used strategically and as a catalyst to widen their sources of climate finance, accelerating progress toward their national climate and sustainable development goals.

It lays out policy actions and measures guiding countries around:

Attracting and facilitating investment into domestic carbon credit markets. Measures include developing a government strategy on carbon credit markets, a legal framework governing Article

6 and voluntary carbon markets activities, building the capacity of involved government agencies for carbon credit market readiness and establishing a national carbon registry.

Driving demand for carbon credits. Policy measures include mandating carbon credit purchases as a penalty for failing to meet emissions targets, providing tax credits and exemptions for the purchase of carbon credits, and integrating incentives for carbon credit purchases by corporate actors in national accounting and reporting rules.

Increasing supply of high-quality carbon credits and strengthening investment security for carbon project developers. Policy recommendations include creating a national carbon certification program, providing subsidies for carbon credits projects and rolling-out measures to encourage projects utilizing carbon reducing technologies.

The new report also highlights stand-out countries that have successfully implemented these policies.

Ghana has successfully integrated carbon markets regulation through establishment of a carbon markets frameworks that address both the voluntary and Article 6 markets. The country is also highlighted as having successfully built government carbon markets capacity by setting up a government Carbon Markets Office and the Ghana Carbon Registry.

The Republic of Korea is highlighted for adopting a whole suite of complementary measures to actively promote their domestic voluntary carbon market. The country allows entities regulated under its national emissions trading system (ETS) to use credits to meet a certain percentage of their mitigation commitments, incentivizing consistent demand for domestic credits. In addition, the government established a trading platform for the country's ETS, performs matchmaking between domestic buyers and sellers of carbon credits, grants a VAT exemption for the issuance and transfer of carbon credits, as well as targeted grants for the development of mitigation activities.

"Closing national climate finance gaps has never been so important, as the effects of climate change continue to intensify around the world," said George Hodgetts, Manager for Policy and Partnerships at VCMI.

"Private investment through domestic carbon credit markets remains an underutilized funding source for countries to finance their climate action plans and targets, accelerate climate mitigation and resilience and drive broader sustainable development. This report provides a policy roadmap to help countries, especially emerging markets and developing economies, explore what they can do to boost the performance of their domestic carbon credit markets."

"Public finance alone isn't enough to bridge today's vast climate finance gap, making investment in high-integrity domestic carbon credit markets essential for countries to meet their climate goals," said Charlotte Streck, Founder of Climate Focus

“Countries can unlock domestic flows of finance for climate action by setting strong policies that boost investor confidence and build high-integrity supply of carbon projects. This report draws on examples from around the world to identify what works in different national contexts.”

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