



Using Carbon Credits to Deploy Climate Solutions

To limit the pace and scale of warming and avoid the worst damages from climate change, methods for removing carbon dioxide from the atmosphere will be needed in addition to significant emissions reductions. Despite their complexity and challenges, markets for carbon credits can drive investment toward the development and deployment of climate solutions at scale.

CORE PARTICIPANTS IN CARBON CREDITS MARKETPLACE



- **Landowners & Project Developers** – Establish a plan for carbon credit projects, quantify emissions benefits, and implement projects.
- **Registries & Governance Bodies** – Publish protocols (methods for calculating climate benefits for credits), issue and track credit use, and facilitate interactions between project owners and credit buyers.
- **Project Verifiers** – Certify the climate benefits of a project in accordance with the published protocols, acting as third parties.
- **Brokers** – Advise buyers on how to best navigate various projects and registries.
- **Buyers** – Send a demand signal for credits and desired project criteria. Either interact with credit marketplace through registries or bypass the traditional “registry-assisted” credit purchasing approach by going straight to the landowner or project developer to ensure credit quality.

KEY TAKEAWAYS

1. With more organizations and corporations looking to fulfill voluntary climate commitments, the market for carbon credits (sometimes called "offsets") is growing rapidly.
2. Credits provide a means to channel private sector capital toward innovative decarbonization and carbon dioxide removal practices, including through direct air capture and enhanced carbon storage in agricultural lands and forests.
3. The buying and selling of credits that do not result in real, verifiable climate benefits have caused some to question the validity of all credits.
4. It is crucial to instill trust and transparency in a system for verifying carbon credits so that investment can continue to flow to and enable scale up of innovative climate solutions.
5. A key question going forward is what the role of the federal government should be in standardizing credit markets and ensuring credit quality.