



Bipartisan Policy Center

Innovation, Jobs, and Exports: America's Strategic Edge in the Voluntary Carbon Market

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EXECUTIVE SUMMARY

U.S. participation in the global voluntary carbon market (VCM) supports economic growth by unlocking private capital flows to rural communities, agriculture, engineering projects, and emerging technologies while also generating revenues and creating job opportunities. The United States is a leader in the VCM, with U.S. project developers issuing 22% of global voluntary credits to date and dominating several sectors, including forestry, agriculture, carbon capture, and waste management. Carbon credits are tradable instruments representing 1 metric ton of carbon dioxide that has been removed from the atmosphere or whose release was avoided. Although the market is on track to expand through 2030 and beyond, the pace of growth—and the potential for new U.S. private-sector engagement—will hinge on efforts to strengthen transparency and improve the market's functioning. With the right framework in place, a mature, high-integrity VCM can be an important tool for advancing U.S. energy, trade, and innovation strategies.

INTRODUCTION

The Bipartisan Policy Center's [Voluntary Carbon Market Task Force](#) includes experts drawn from project developers, registries, ratings agencies, credit purchasers, and nongovernmental organizations. In this issue brief, the task force makes the case for supporting a mature, high-integrity VCM, emphasizing the economic benefits for U.S. companies and individuals across a range of sectors.

Over the past several years, BPC has examined ways in which federal action can strengthen the VCM, including tracking [federal actions](#) taken to date and exploring options to increase the integrity of [carbon credits](#).

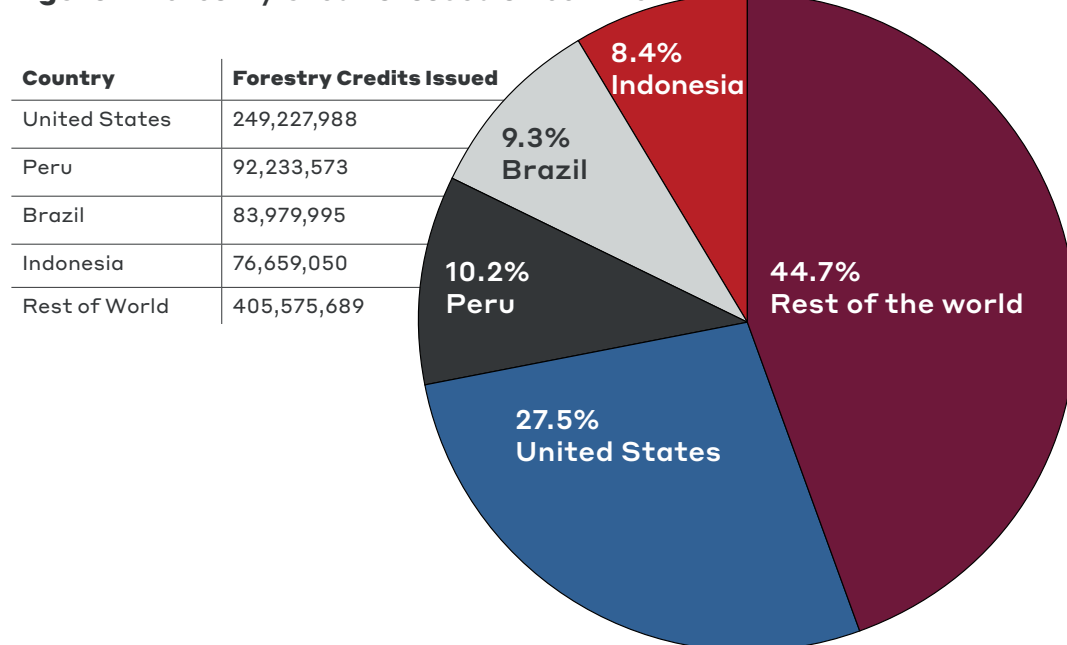


WHAT IS THE VOLUNTARY CARBON MARKET?

The VCM enables companies, governments, and other investors to voluntarily buy and sell carbon credits—transferable commodities that represent 1 ton of carbon dioxide avoided or captured and stored. The market consists of buyers, sellers, exchanges, credit ratings agencies, registries, auditors, validators, and verifiers, as well as credit brokers and platforms. The global VCM has a current market value of [\\$1.3 billion](#), based on the projected value of credit transactions in 2025.

The United States is a substantial player in the VCM. U.S. project developers, the entities that initiate and manage carbon credit projects, generated 22% of the world's voluntary carbon credits from 1996 through April 2025, according to the Berkeley Carbon Trading Project's [Voluntary Registry Offsets Database](#). In particular, the United States is the leading issuer of carbon credits from forestry and land-use projects (see **Figure 1**), a sector that accounts for 37% of total credit issuances on the VCM. In 2024, the United States issued over 8 million forestry credits, representing approximately 90% of all credits issued in the \$340 million market for that year.

Figure 1. Forestry Credits Issued since 1996

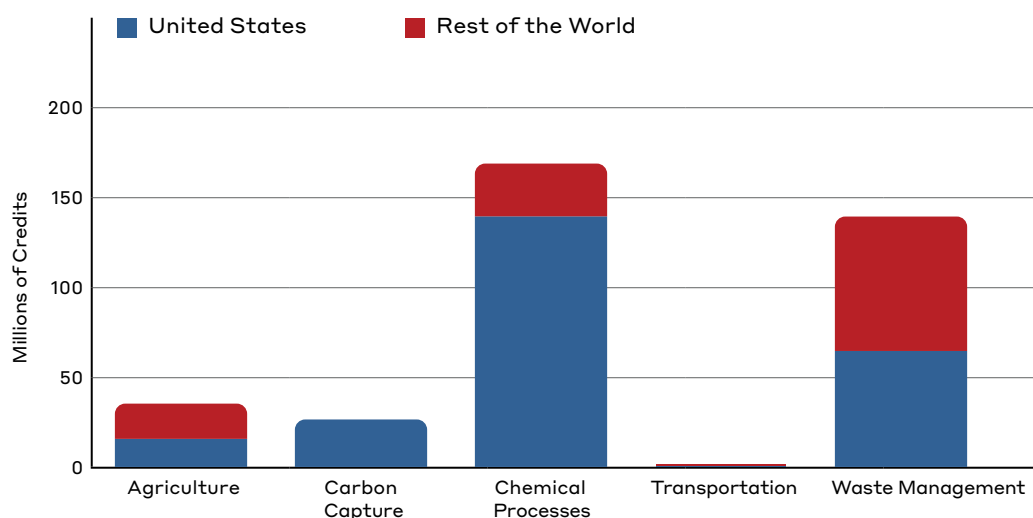


Over 900 million forestry credits have been issued since 1996.

Source: UC Berkeley's [Voluntary Registry Offsets Database](#)

The United States has also led the world in voluntary credit issuances in the agriculture, carbon capture, chemical processes, transportation, and waste management sectors (see **Figure 2**). U.S. project developers in these sectors have been able to effectively leverage the country’s extensive natural resources and technological expertise, in some cases with federal policy support. They have also benefited from U.S. demand for [high-quality](#), verifiable carbon credits.

Figure 2. Carbon Credits Issued by Category since 1996



Source: UC Berkeley’s [Voluntary Registry Offsets Database](#)

Moreover, the VCM is well-positioned for further growth. According to projections, the global market could reach \$40 billion [by 2030](#) and top \$161 billion [by 2050](#). These figures underscore the scale and momentum of the VCM, as well as the potential for U.S. leadership, given its combination of natural assets and innovative technologies.

HOW DOES THE VCM SUPPORT U.S. ENERGY COMPETITIVENESS AND ECONOMIC GROWTH?

The voluntary carbon market is a source of economic opportunity for American individuals and businesses across many disciplines, including agriculture, forestry, science, engineering, and finance. The participation of U.S. companies in a robust, well-functioning VCM can bolster domestic economic growth, competitiveness, and energy leadership.

U.S. Carbon Advantage for Exports

A robust voluntary carbon market can enhance U.S. structural and production advantages in the manufacturing sector, boosting American exports. The United States already has a [carbon advantage](#) over other countries, with most American-made goods and services produced more efficiently and with fewer emissions than foreign equivalents. The purchase of carbon credits on the VCM is likely to be an important tool for U.S. exporters seeking to maintain this advantage and to comply with new and emerging emissions requirements for energy and other products sold to Europe and Asia.

The VCM allows U.S. manufacturers to purchase credits as needed to further reduce the carbon intensity of their products in cases where directly reducing operational emissions is more costly. Access to a stable framework through which companies can use credits to reduce the carbon intensity of their products—and document that via an [e-ledger](#) or other carbon accounting system—can thus support exports of U.S. energy resources and manufactured goods.

Bolstering Rural Communities

For rural American communities and tribes, access to an efficient and well-functioning VCM enables small landowners to monetize the environmental attributes of their assets and to generate a supplemental income stream. For example, a May 2025 [report](#) released by the Boston Consulting Group and the American Forest Foundation found that timber harvesting projects that incorporate certain forest management practices that reduce or remove carbon emissions can increase a forest's 30-year net present value (NPV) by up to 50%. New revenue flows from credit-generating projects can stimulate rural economies and allow families to maintain ownership and improve the health and management of their lands across generations.

Carbon as a Commodity

In some cases, the VCM can help finance efforts to advance technologies that transform carbon from a liability into a commodity. Carbon management tools (such as innovative direct air capture technology) can generate a limitless, high-purity stream of carbon dioxide that feeds existing energy infrastructure (such as enhanced oil recovery) and fuels new industries (e.g., food, plastics, steel, and synthetic aviation fuels). Scaling up the domestic carbon management industry is another opportunity to cement U.S. leadership in energy innovation.

Employment Benefits

Job opportunities enabled by the VCM span geographies and sectors, fueling innovation while building a skilled workforce. Allied Offsets forecasts that VCM-supported projects—driven by private-sector investment—could create over [2 million direct jobs](#) globally by 2040. In the United States, such [positions](#) include foresters developing resource management plans; engineers operating equipment to capture carbon directly from the atmosphere and store it underground; agricultural equipment operators using machinery to spread minerals for enhanced rock weathering on field; and data analysts ensuring that carbon removals are calculated properly.

WHY DO COMPANIES BUY CARBON CREDITS ON THE VCM?

Buyers of voluntary carbon credits are motivated by a range of strategic, operational, and mission-driven reasons, including:

- **To enable flexible, cost-effective decarbonization:** For many companies, especially in hard-to-abate sectors, direct emissions reductions may be too costly or technologically unfeasible in the near term. Carbon credits allow them to manage their emissions efficiently by supporting carbon projects elsewhere in the economy, in this way offsetting the emissions from their operations.
- **To accelerate deployment of proven climate solutions:** Carbon credit purchases can provide immediate capital for nature- and technology-based projects that deliver measurable emission reductions and removals, potentially enabling faster decarbonization.
- **To stimulate innovation and to scale emerging technologies:** The promise of future revenue from high-quality credits can attract investment in early-stage solutions like direct air capture or enhanced weathering; this investment, in turn, supports longer-term breakthroughs.
- **To achieve broader stakeholder and investor goals:** Many credit-generating projects deliver co-benefits, such as biodiversity protection or improved air and water quality, that align with investors' goals.

As corporate participation in the VCM increases, so too does the importance of market integrity. Because it is impossible to directly observe the flows of carbon, the VCM must be built on a foundation of trust. Buyers need to know that carbon credits represent real, additional, quantified emissions reductions and removals, backed by independent third-party verification. Growing demand for rigor and transparency is driving improvements in methodologies, standards, and verification processes, ultimately enhancing the credibility and long-term viability of the market.

Buyers also need assurance that carbon avoidance, reductions, and removals can be claimed only once. Robust carbon accounting is required to enable easier trade and tracking and to facilitate the emergence of a liquid secondary market. As the market matures, these foundational safeguards will be essential to maintaining trust and scaling impact.

A MATURE VCM WILL REQUIRE:

- **Minimal barriers to entry**, facilitating participation by sellers—including rural Americans, farmers, forest landowners, and tribal nations seeking to create a supplementary income stream—as well as buyers.
- **Financing mechanisms** that give VCM participants access to the upfront capital needed to undertake new projects.
- **Transparency**, underpinned by a clear and widely accepted carbon accounting system.
- **Clear, consistent benchmarks** for what constitutes a high-quality carbon credit—based on quality standards or ratings, or both—to build buyer confidence and improve integrity across the market.
- Risk mitigation and financing tools to ensure **consumer protection**, minimizing companies' exposure to reputational or legal risk when they buy credits.
- **Long-term assurances** that climate benefits will continue to accrue after credits are traded.
- **Community engagement** by project developers to ensure local buy-in, enabling the start-up of VCM-funded projects as well their persistence over the long term.

WHAT IS THE ROLE OF THE U.S. GOVERNMENT?

The voluntary market is just that—a voluntary, free market mechanism. It has grown rapidly without centralized government oversight, driven by private-sector actors who are doing important work to improve credit quality standards, strengthen the carbon accounting framework, and develop guidelines for corporate claims to meet buyer demand for high-quality carbon credits. Smart, targeted federal involvement could complement private-sector leadership by ensuring that the market is efficient, fair, and credible—without imposing heavy-handed mandates. Government action to provide market clarity and stability could unlock private capital investment in the United States and enable domestic growth across the manufacturing, agriculture, and energy sectors.

Federal engagement would also help prevent a patchwork of conflicting state regulations. In the absence of federal leadership, states are beginning to introduce their own disclosure, quality, and marketing rules for carbon credits, raising compliance costs and increasing complexity for companies operating nationally and internationally. Federal guidance could provide a baseline framework that reduces the risk of fragmentation while preserving flexibility.

Furthermore, as other global jurisdictions take steps to establish a regulatory framework for the VCM, U.S. government involvement could ensure that the United States has a role in defining the rules for the global marketplace. For example, the European Union's [Carbon Removal and Carbon Farming Certification](#), currently under development, will establish a certification scheme for some types of voluntary carbon removals. In the absence of U.S. involvement and guidance, multinational companies operating in both the United States and Europe will follow the EU regulations. Recently, Kenya, Singapore, and the United Kingdom created the [Coalition to Grow Carbon Markets](#), which seeks to unlock private-sector investment by strengthening the integrity and interoperability of the market. U.S. engagement to shape the market now can ensure that U.S. commercial interests are protected over the long run.

CONCLUSION

A robust voluntary carbon market can advance U.S. economic and national security interests both domestically and abroad. Just like any other market, the VCM will require certain guardrails and support if it is to mature and scale and to deliver on its potential.

Federal support does not require top-down regulation. Targeted actions could help deliver on the areas above and reinforce the role of high-integrity credits in broader U.S. economic, climate, and trade strategy. As the federal government looks to maintain U.S. leadership in innovation and energy, thoughtful policy for the VCM can play an important role.

