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# CARBON CREDITING PROGRAMMES

## What are carbon crediting programmes?

Carbon or greenhouse gas crediting programmes – also called carbon standards – establish a set of rules, procedures and methodologies that are requirements for carbon credits generated through carbon market projects and activities. Upon successful verification of the mitigation, a crediting programme issues carbon credits, also known as Verified Emission Reductions (VERs). Each credit represents a specified amount of avoided or reduced greenhouse gas (GHG) emissions.

Carbon crediting programmes can supply credits primarily to compliance or voluntary markets or to both. Carbon crediting programmes supplying the VCM are developed and administered by private organisations – typically international non-governmental organisations (NGOs). Organisations administering these standards play a crucial role in safeguarding the quality of VCM carbon credits and providing credibility to the baseline and credit system on which the VCM relies. The stringency of different standards with regard to environmental and social integrity varies.

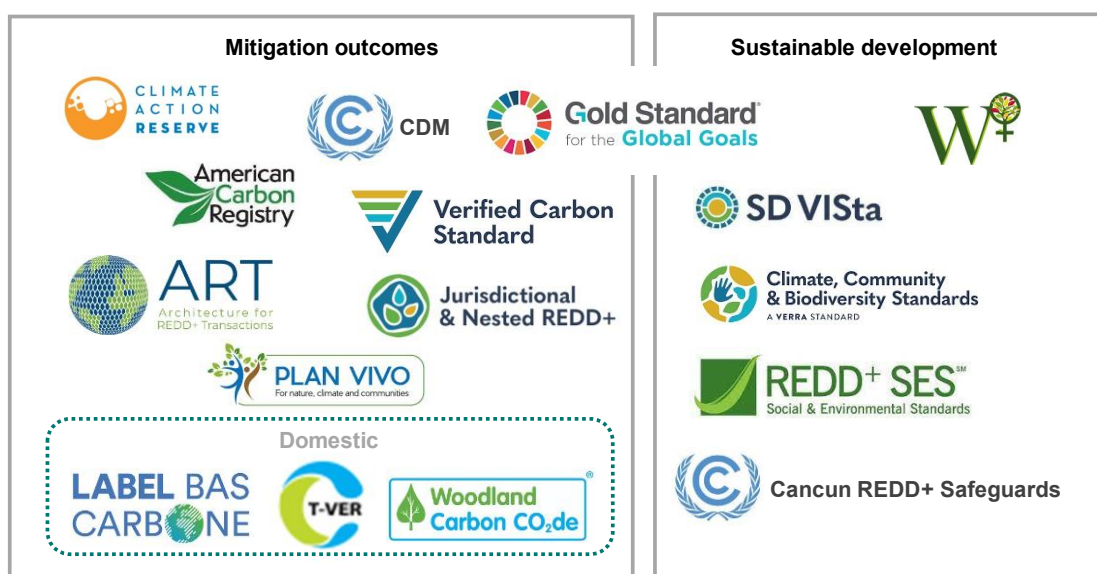
Carbon crediting programmes define the procedures that VCM activity developers must adhere to, encompassing monitoring, reporting, validation, and verification processes. They also oversee the issuance and transfer of carbon credits, often through registries. They apply clear rules and requirements that are regularly revised, mechanisms for stakeholder participation and grievances, specific environmental and social safeguard requirements, robust methodologies for defining baselines and project contributions as well as requirements for independent project reviews by third-party auditors (so-called Validation and Verification Bodies). Most carbon credits are assessed by carbon standards for common quality criteria such as: robust baselines; proof of additionality; permanence of emission reductions; prevention of leakage and absence of double counting. The assessment criteria and methods vary.

# What are the main carbon crediting programmes in the VCM?

The four carbon crediting programmes that contribute the largest volumes of credits to the VCM are:

- [VERRA](#) (formerly the Verified Carbon Standard) with approx. 68%
- [Gold Standard](#) (GS) with approx. 20%
- [American Carbon Registry](#) (ACR) with approx. 8%
- [Climate Action Reserve](#) (CAR) with approx. 3%.

Figure 1: Carbon crediting standards/programmes taking part in the VCM



As represented in the figure above, carbon standards differ in their focus, approaches and procedures, with some standards aligning more closely with specific goals like the Sustainable Development Goals (SDGs) as well as the adoption of grievances mechanisms. Other standards are defined by their geographic coverage.



The Clean Development Mechanism (CDM) is a carbon crediting program established under the Kyoto Protocol, designed to tackle climate change by facilitating projects and programmes of activities that reduce greenhouse gas emissions in developing countries. These projects generate Certified Emission Reduction (CER) credits, which can be traded and used both on compliance and



voluntary markets. The CDM encourages technology transfer, sustainable development, and cooperation between developed and developing nations in the global fight against climate change. With the Paris Agreement, the Article 6.4 Mechanism has been established as successor to the CDM.



Verra provides a framework for projects to quantify and verify their emission reductions or removals. While it doesn't explicitly include social or sustainable development criteria, it collaborates with other standards to create nested approaches that integrate additional sustainability benefits. Verra (VCS) seeks to ensure the environmental integrity of carbon credits, but the standard faced significant criticism due to scandals associated with overcrediting, particularly in the context of avoided deforestation projects.



The Gold Standard places a strong emphasis on sustainable development, aligning closely with the SDGs. Projects seeking Gold Standard certification must not only meet rigorous emission reduction criteria but also demonstrate positive social and environmental impacts. [The Gold Standard for the Global Goals](#) incorporates a broader range of sustainable development indicators.

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