

## The Coalition to Grow Carbon Markets Press release

### First-of-its-kind government coalition to issue shared principles on carbon credit use by COP30 to boost climate finance

*London, UK - 24 June 2025:* The Governments of Kenya, Singapore, and the United Kingdom today announced the creation of The Coalition to Grow Carbon Markets, a first-of-a-kind government-led initiative to strengthen voluntary demand for carbon credits.

A thriving carbon market will unlock finance to support the decarbonisation and sustainable development agendas of Emerging Markets and Developing Economies (EMDEs), which is critical to meeting global climate goals.

The Coalition comprises ambitious governments committed to advancing climate action through credible business use of high-integrity carbon credits alongside deep corporate decarbonisation. The Coalition is co-chaired by Ali Mohamed, Kenya Special Climate Envoy; Ravi Menon, Singapore Ambassador for Climate Action; and Rachel Kyte, UK Special Representative for Climate.

France and Panama are founding members of this coalition of ambitious governments committed to advancing climate action through the credible use of high-integrity carbon credits. The Coalition will expand over the coming months to include countries which are sources of demand for carbon credits as well as countries which are sources of supply of credits. The Government of Peru has already endorsed the Coalition's mission, recognising the critical role of carbon markets and corporate use of carbon credits in delivering climate-positive growth globally.

By COP30, the Coalition will deliver its first results by issuing a clear set of shared principles on the voluntary use of high-integrity carbon credits by businesses to provide consistency in approach across jurisdictions. This is in response to calls from businesses for greater clarity from governments on the use of carbon credits as part of corporate decarbonisation plans. The shared principles will give businesses the confidence and incentives they need to invest in a proven but underused climate financing tool and continue to strengthen and scale carbon markets. The Coalition will work closely with businesses, so that policies and incentives better respond to business needs.

The principles will help to grow demand for high-integrity carbon credits, thereby helping to increase the flow of climate finance to EMDEs, by better reflecting the true value of emissions reductions and removals being delivered. This will boost investment in climate-positive businesses, sustainable development and projects such as sustainable agriculture, clean energy, as well as nature conservation and restoration.

The Coalition represents a bold new approach to mobilising essential private sector investment to help close the USD\$1.3 trillion climate finance gap without adding to the debt burden. By boosting demand for high-integrity credits, the market could expand to as much as USD\$250 billion by 2050 in direct and leveraged finance to support climate action globally.

This move has also been welcomed by the International Chamber of Commerce (ICC) as a response to calls from business for more cohesion and transparency, and stronger, clearer incentives to engage with carbon markets. The ICC and the World Business Council for Sustainable Development (WBCSD) will be partners to the Coalition, playing a critical role to ensure that its work is informed by the needs, experiences and ambitions of global business.

In addition, the Integrity Council for the Voluntary Carbon Market (ICVCM), an independent governance body which sets the global quality threshold for the supply of credits in the voluntary carbon market through the Core Carbon Principles, is also working with the Coalition to support seamless alignment between the demand and supply sides of the market.

Carbon markets direct finance to projects that can cut emissions faster and at lower cost. This helps modernise industries, cuts pollution, creates employment opportunities, and delivers lasting benefits for local communities and ecosystems. But reputational and legal risks, concerns about integrity of supply, and lack of consistent guidance have stopped companies from buying credits, even though they recognise the opportunity they offer to deliver more rapid climate action at scale.

The Coalition will build on the progress made on Article 6 at COP29, and high-integrity supply frameworks such as the Integrity Council for the Voluntary Carbon Market (ICVCM)'s Core Carbon Principles starting to shape the market. There is a clear role for Governments now to align, through the Coalition, to support a level playing field and the high integrity scaling of voluntary market use.

#### QUOTES

"To help unlock private sector finance at the scale and pace needed to support global climate ambitions, we must energise the carbon markets. This Coalition will help foster investor and stakeholder confidence, and strengthen the integrity and interoperability of these markets while delivering real emissions reductions. Singapore will play a meaningful role in catalysing the development of the voluntary carbon market as a financial and services hub, and through our investments in impactful decarbonisation projects globally," said Grace Fu, Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations, Singapore.

"The UK is championing the responsible use of carbon credits by taking action to spearhead global efforts to raise integrity, supporting UK businesses to grow these markets and delivering growth through the Plan for Change. Through this new Coalition, we're giving businesses the clarity they need to invest in high-integrity credits that drive real impact for climate and nature, unlocking carbon markets as a trusted tool in accelerating towards net zero," said Kerry McCarthy MP, Minister for Climate, UK Government.

"Kenya's leadership in this Coalition reflects our commitment to transforming how climate finance reaches developing nations. By boosting demand for high-integrity credits, the market could expand to as much as \$250 billion by 2050 in direct and leveraged finance, supporting global climate action, particularly through transformative projects in developing countries." said Ali Mohamed, Kenya Special Climate Envoy and Co-Chair of the Coalition to Grow Carbon Markets."

"This new Coalition is a welcome response to the clear call from the global business community to bring clarity, build confidence and integrity for carbon credit buyers, and to scale incentives that reward real climate action.

High-integrity carbon markets are a vital—but still underused—tool in our climate arsenal. When done right, they empower businesses to cut emissions faster, invest at scale, and accelerate the global transition to net zero.

Today's announcement is more than a policy signal—it's a commitment to action. We commend this leadership and stand ready to support this Coalition in unlocking the full potential of carbon markets for people, planet, and prosperity," said Philippe Varin, Chair of the International Chamber of Commerce (ICC).

"I am glad to announce that France is officially joining the Coalition launched by the governments of Kenya, Singapore and the UK to support the development of robust, credible and effective carbon markets.

This commitment is consistent with France's long-standing leadership on climate action and advocacy for high-integrity carbon markets, which present an untapped potential to increase corporate action and mobilize climate finance where it is most cost effective.

As a Coalition, we can send a clear message to the market and bring the needed clarity and confidence for investors. We are looking forward to working in partnership with other governments to unlock the full potential of carbon markets," said Agnès Pannier-Runacher, Minister of Ecological Transition, Government of France.

"I welcome this effort to provide greater clarity from governments on corporate use of carbon credits to increase climate action. Social and environmental integrity standards of carbon markets are vital to ensure the public trust in this important instrument. Therefore, political leadership is critical to building confidence and ambition, and we welcome this signal of cooperation," said Ana Toni, CEO of COP30.

"The Ministry of Environment of Peru supports the Coalition's effort to foster a carbon market environment where integrity and high standards are valued and recognized. We need to facilitate greater financial flows towards mitigation activities and sustainable development, and we see this as a promising foundation for strengthening global partnerships," said Racquel Soto, Vice Minister of Strategic Development of Natural Resources, Government of Peru.

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#### Notes to editors

The Coalition to Grow Carbon Markets is supported by a Secretariat hosted by VCMCI. The Secretariat provides technical, administrative and logistical support to Co-Chairs and the Coalition activities. VCMCI has established guidance on best practice voluntary use of carbon credits by business as part of corporate decarbonization plans.

For media enquiries, please contact [VCMCoalition@fgsglobal.com](mailto:VCMCoalition@fgsglobal.com)