

Carbon Credit Markets

Service Offer International Carbon Credit Markets

This service offer focuses on international carbon credit markets, in which market participants sell and buy carbon credits representing the equivalent of one ton of CO2 avoided, reduced, or removed from the atmosphere. It does not cover other price-based mechanisms such as emission trading systems or carbon taxes.

The challenge:

International climate finance remains well below the level required to achieve the goals of the Paris Agreement. High-integrity carbon credit markets, including international cooperation under Article 6 of the Paris Agreement and voluntary carbon markets (VCM), have the potential to raise climate ambition and advance sustainable development by mobilizing additional private capital. As countries and companies seek cost-effective pathways to achieve increasingly ambitious climate targets, demand for high-quality carbon credits is expected to grow. However, the design and implementation of high-integrity carbon credit markets that deliver real, additional and measurable emission reductions and removals remains a challenge. Thorough assessment of opportunities, risks and challenges, along with targeted support to partner countries, is essential for maximizing their potential.

Our approach:

GIZ supports high-integrity carbon credit markets through programs and projects that deliver real impact. We work in both compliance markets under Article 6 and in the VCM. To ensure credible and measurable climate action robust accounting, environmental integrity, and transparency guide our engagement in international carbon markets. We, thus, advocate for Article 6-conform carbon credit systems that maximize social and environmental co-benefits, and promote markets that contribute to a just and sustainable economic transformation.

Our services:

GIZ offers a wide range of services on carbon credit markets through its two service branches, the Non-Profit Sector (GnB) and International Services (InS). In GnB, GIZ primarily supports partner governments and local organizations in developing enabling frameworks, providing capacity building and strategic advisory services. Through InS, GIZ collaborates with companies, foundations, and national governments to develop and implement high-integrity carbon credit projects. Across all engagements, GIZ helps strengthen market systems with a strong focus on integrity and sustainable development. Where appropriate, GIZ also pilots innovative approaches – such as climate contribution claims – to mobilize additional private finance for transformative climate action beyond the scope of carbon credits

1. Strengthening national carbon market governance and strategy:

GIZ provides strategic guidance to partner governments by supporting comprehensive national carbon market strategies that raise climate ambition cost-effectively. A focus lies on aligning carbon market activities with NDCs and the Paris Agreement to ensure additionality and meaningful contributions to global climate targets.

GIZ also advises on policy design and carries out policy impact assessments, while helping to establish decision-making processes, institutional arrangements, and coordination mechanisms. To build high-integrity, Article 6-conform carbon credit markets and maximize social and environmental co-benefits, GIZ provides training and technical assistance to key stakeholders and facilitates dialogue among civil society, the private sector, and public institutions. By fostering partnerships with local and international organizations, platforms and networks, GIZ contributes to knowledge exchange on best practices and lessons learned.

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2. Increasing market readiness

GIZ supports the development of robust and inclusive market infrastructure for Article 6-conform carbon credit markets, for example, by advising on the design of national carbon registries and stringent monitoring, reporting, and verification (MRV) systems. This includes strengthening national authorities' monitoring and reporting capabilities and ensuring that project-level impacts are accurately reported to national registries, thereby enhancing transparency and accountability.

GIZ also helps mobilize financing for project development by connecting project developers with financial institutions and impact investors and by building capacity to navigate complex financing processes. In addition, GIZ provides guidance on fair and transparent benefit-sharing arrangements for carbon credit proceeds.

3. Designing and implementing carbon market projects

GIZ supports the preparation of innovative flagship projects that target high-hanging fruits in hard-to-abate sectors (e.g., agriculture, cement industry). The focus lies on technical advice and training for partner governments and organizations during early design phases to ensure compliance with Article 6 requirements and adherence to social and environmental safeguards.

Under InS, GIZ also acts as project developer, managing the entire project cycle – from identifying opportunities to generating carbon credits and facilitating international transactions. Under this model, GIZ activities are costed into the carbon credit price. Additionally, GIZ engages with all market actors to ensure the sustainability and scalability of activities.

Your benefits:

With a strong presence in our partner countries, GIZ leverages long-standing relationships with key stakeholders to address the growing demand for sustainable and high-integrity carbon market ecosystems that deliver tangible benefits to both local communities and the global climate.

By employing a science-based, cross-sectoral and multi-disciplinary approach, GIZ offers integrated services tailored to the needs of governments, project developers, the private sector and civil society organizations. We empower these stakeholders to make informed decisions regarding the most suitable approaches and financing mechanisms for their specific contexts and objectives. Drawing on its extensive technical expertise and experience, GIZ offers context-specific, impactful and timely solutions that address pressing challenges in partner countries. We foster collaboration, knowledge sharing, and international learning, ensuring that your investments lead to meaningful and sustainable outcomes in the carbon market landscape.

Example from the field:

The Global Carbon Market project promotes the use of carbon market instruments – VCM and Article 6 – in partner countries in East Africa, the Caribbean and Southeast Asia, focusing on capacity building for public and private decision-makers, with an emphasis on youth and gender. The project strengthens regional and international cooperation, positioning partner countries as credible actors in carbon markets and climate finance.

The Thailand SMART AWD+ project is implemented by InS on behalf of the KliK Foundation. The project aims to reduce methane emissions from irrigated rice cultivation through the large-scale adoption of Alternate Wetting and Drying (AWD). Up to 30,000 rice farmers are trained in the use of AWD irrigation practice. The mitigation outcomes are traded as ITMOs under Article 6, contributing to the Swiss 2030 NDC target.

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