Calyx Global | CLEAR BLUE MARKETS

The State of Quality and Pricing in the VCM: 2026

JANUARY 2026

Contents

Executive summary

Calyx Global and ClearBlue Markets' annual State of the Voluntary Carbon Market report tracks trends in carbon credit quality and pricing and makes recommendations to improve the market.

In this year's report, we found that the voluntary carbon market continues to steadily improve, but remains weighed down by a dark underbelly of junk credits. Crucially, we found that with a few small tweaks, market actors can dramatically improve the overall quality of the market.

In other words, we're still in the doldrums. But we don't have to be. Our report finds:

1. The highest quality credits are now valued nearly 50% more than the lowest ones, up from 30% a year ago. This suggests buyers increasingly value quality.

2. The average quality of carbon credit retirements and issuances remains low, despite slight improvement this year. The average score of carbon credit **issuances** was 4.1/10 on the Calyx Carbon Integrity Index™, up from 3.8/10 last year. The average score for carbon credit **retirements** this year was 3.3/10 on our index, up from 2.7/10 last year.

3. A few changes can make a big impact. We include five recommendations from Calyx Global that, if implemented in 2026, would increase the quality of carbon credit issuances from a 4/10 to a 9/10 on the Calyx Carbon Integrity Index™ and carbon credit retirements from a 3/10 to an 8/10.

    a. Accelerate the transition to "new" REDD credits.
    b. Immediately avoid non-additional renewable energy credits.
    c. Implement the new "cookstove cookbook" for high quality.
    d. Scrutinize monoculture plantation projects.
    e. Use more credible baselines for improved forest management projects.

Beyond these trends, we look at a number of key overlooked or underappreciated opportunities in the market. For example, we find that the emerging field of super pollutant credits like methane and other non-CO_2 mitigation is the only category where lower quality credits have a higher average price than higher quality ones. This suggests a lack of understanding of such credits by market actors, but also a potential opportunity, as price discovery is still nascent. We also see that removal credits continue to be priced higher than avoidance credits, despite the minimal difference in the quality of these project types overall. And we note that projects that earned the ICVCM's Core Carbon Principles label continue to outperform the overall market, and are starting to see a price premium.

In short, we need a conscious, all-stakeholder rejection of poor quality credits, alongside putting a premium on high quality credits. In doing so, we can restore confidence and ensure carbon markets work for people and the planet.

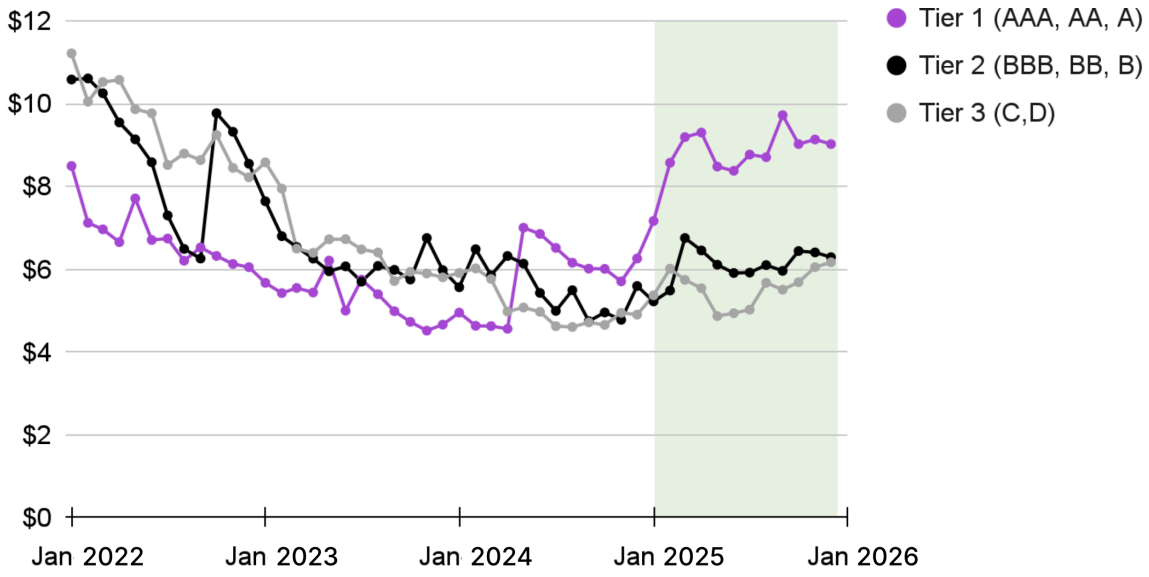
Good news: 2025 was a breakout year for price discovery

There is growing price differentiation between high and low quality credits

The price spread for higher-quality credits widened in 2025. Prior to this, particularly in 2022, lower-quality credits fetched higher prices. Why? Because of an immature market where charisma trumped quality. After academia and media scandals exposed the rampant credit inflation in the market, buyers started to become more discriminating—and willing to pay more for higher quality. Today, Tier 1 (AAA, AA, A-rated) credits are priced 46% higher than Tier 3 (C or D-rated) credits. This is up from a 28% price premium a year ago, and a major improvement from two years ago when Tier 3 credits were priced 20% higher than Tier 1. We should expect Tier 3 prices to decline in the future if "rational price discovery" continues to gain traction.

Calyx-ClearBlue Carbon Price-Integrity Index™

Average monthly rating tier price



Price discovery is progressing differently by project type

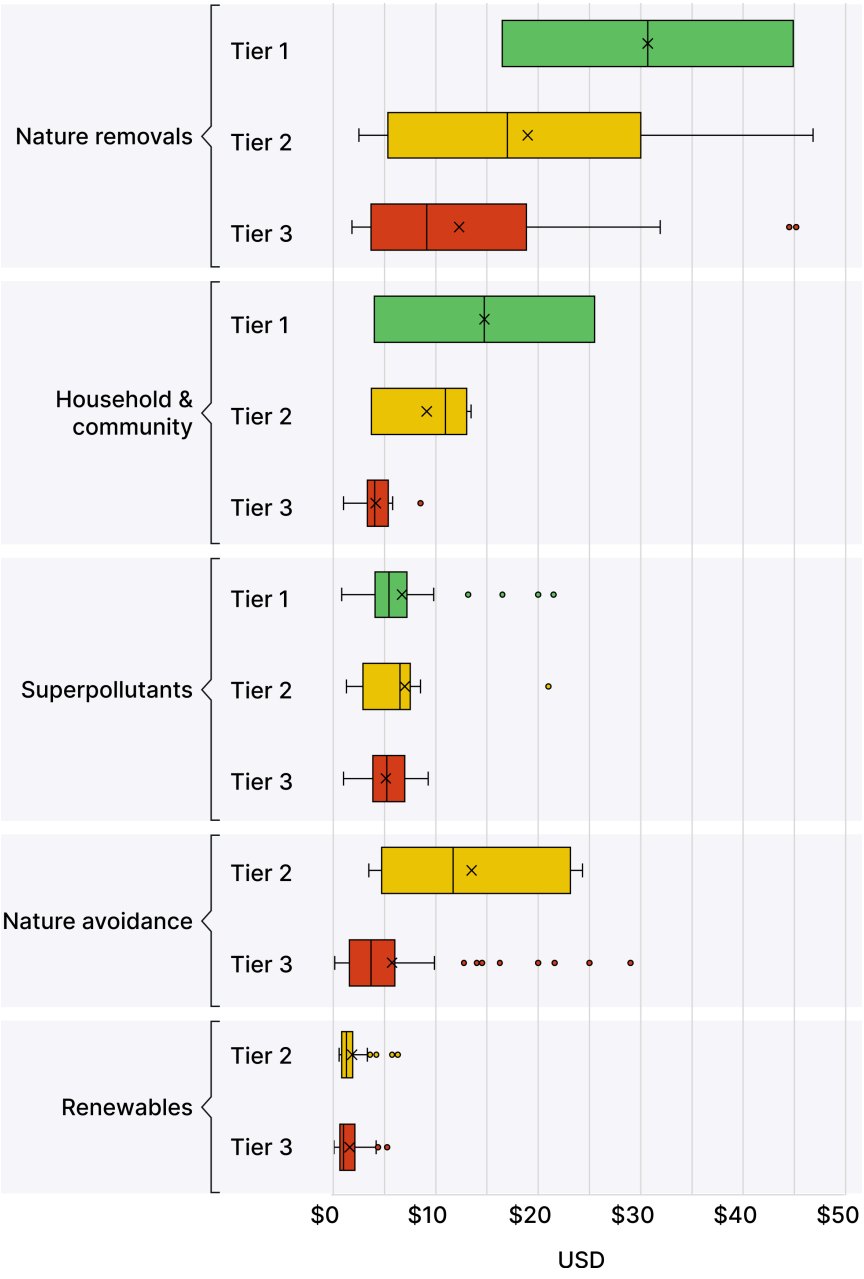
The chart below breaks down price discovery into categories. The data suggests the following:

- **Nature-based credits**: In nature-based projects, it is clearly visible that higher-integrity credits command higher prices for both removals and avoidance. This is likely a result of a stronger market understanding of "integrity" for this project type compared to others, following years of significant media attention and scrutiny. That said, even at roughly similar quality levels, removals still receive higher prices than avoidance credits.
- **Renewable energy:** Renewable energy credits primarily fall into the Tier 2 and 3 categories. These credits have long been in the news as questionably additional, so it is not surprising that they are trading at low prices. Tier 2 credits do receive a small price premium over Tier 3.

- **Household and community projects** (e.g., cookstoves, biodigesters, etc.): These are starting to see a large disparity as well, in particular several higher integrity (Tier 1) credits received over $20 per tonne, while lower quality credits all priced lower than $10 per tonne.

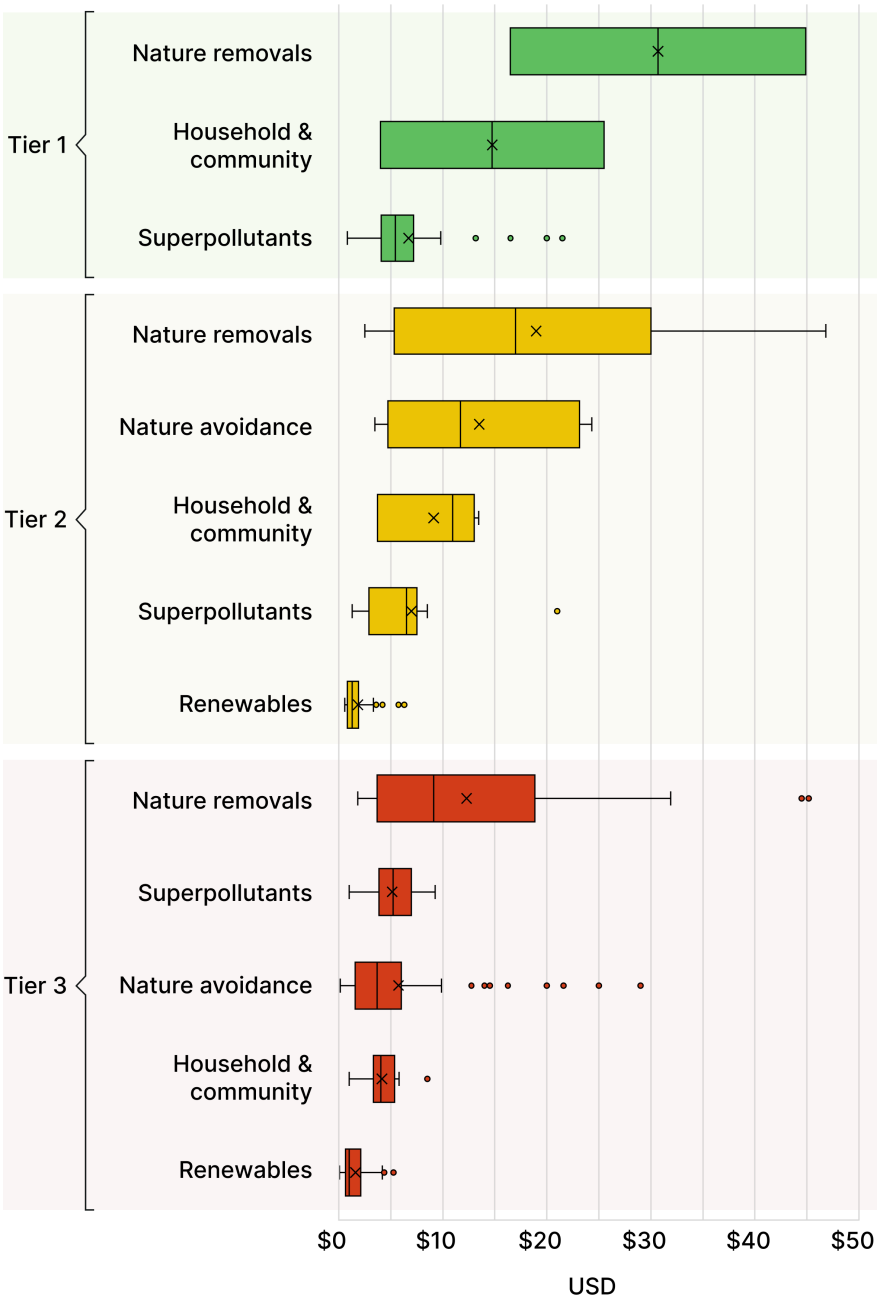
- **Super pollutants** (e.g. landfill gas, wastewater, industrial gas): These non-CO_2 mitigation credits show the lowest level of quality-based price differentiation in the market. In fact, this is the only category where we see an inversion of the expected trend, with Tier 2 credits receiving a higher average price than Tier 1 credits. This is not surprising, as these project types remain the least understood by market participants, resulting in limited price discovery based on quality.

Tier 1 (AAA, AA, A), Tier 2 (BBB, BB, B) and Tier 3 (C and D) credit prices by project type



Another way to look at the same data is to compare prices for Tier 1, 2 and 3 for different project categories. What one can see from the chart below is that nature-based projects tend to secure higher prices regardless of their GHG integrity; this is particularly true of nature-based removals. This is followed by household & community projects. Super pollutant projects, by contrast, tend to be undervalued if one only looks at GHG integrity. This suggests that the market continues to prefer credits that are “charismatic” over those that simply deliver high-quality mitigation.

Project type prices by tier rating



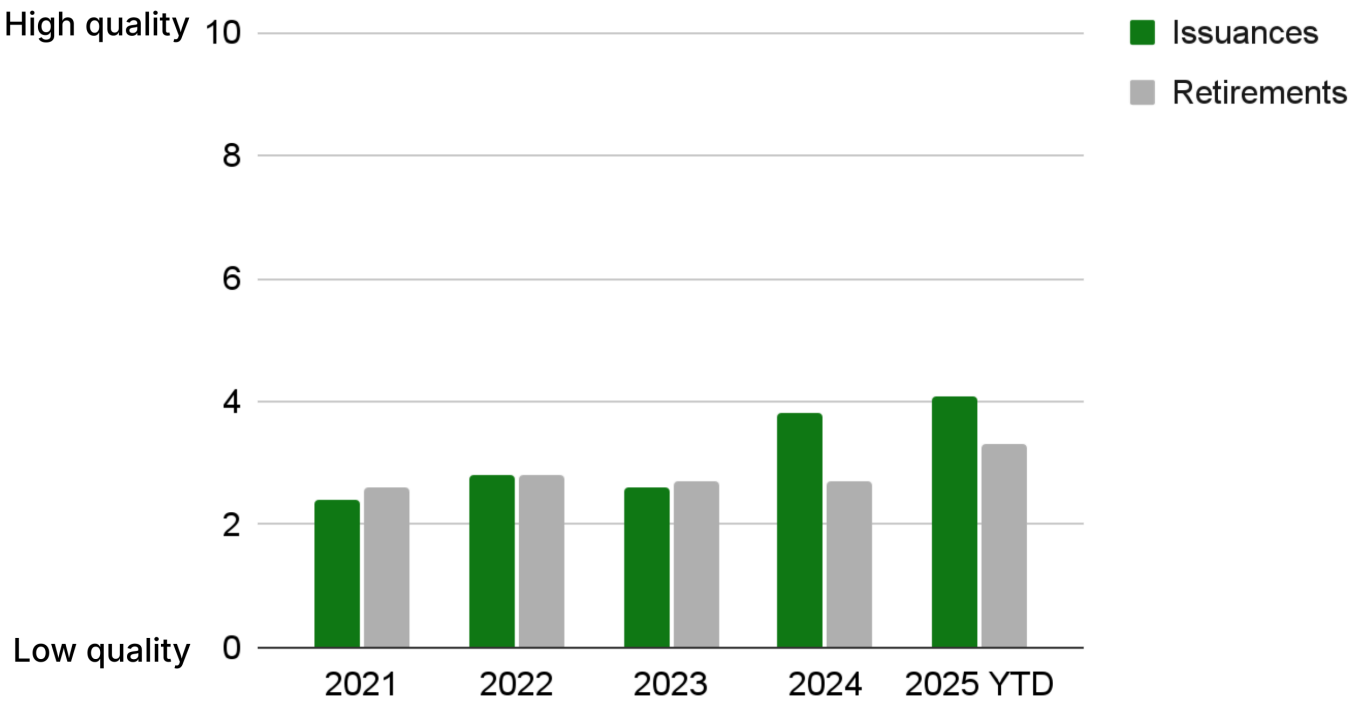
Bad news: 2025 was not a breakout year for high credit integrity

A slowly improving market, weighed down by “junk” credits

We had great hopes for a breakout year for the quality of carbon credits after watching the greenhouse gas (GHG) integrity of credits rise in 2024. However, the Calyx Carbon Integrity Index™ failed to rise above the mid-level this year (five out of ten on our integrity scale). Retirements showed improvement in 2025, suggesting **companies are retiring higher-quality credits**. This is good news, in that the quality of credits “used” by companies is improving. However, issuance quality moved sideways over the year (a disappointing outcome after an encouraging increase at the start of the year). Bottom line: the **VCM continued to be dragged down by a dark underbelly of junk**, including considerable volumes of low-quality REDD and hydropower credits and, to a somewhat lesser extent, similarly low-grade afforestation-reforestation (AR) credits.

The Calyx Carbon Integrity Index™

Annualized score from 2021 to 2025



What is dragging the index down?

The continued engagement in purchasing and retiring poor-quality credits creates downward pressure on the Calyx Carbon Integrity Index™.

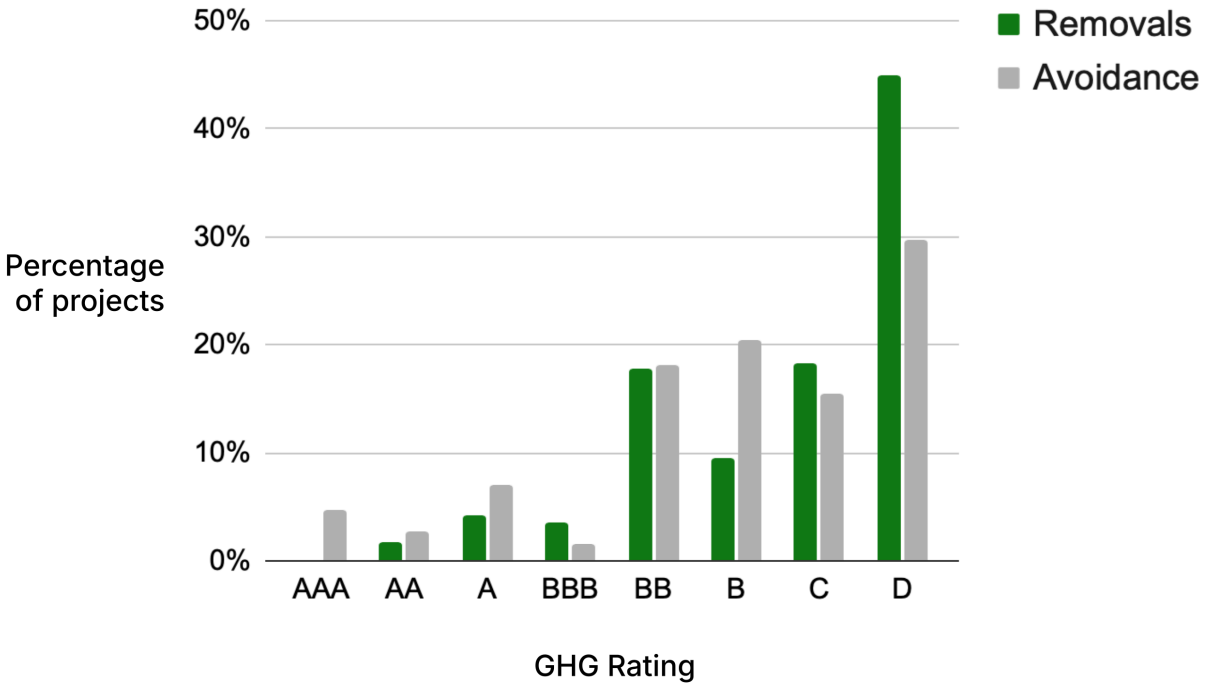
For example, the project that saw the highest volume of retired credits in 2025 was a REDD project called Mai Ndombe. This project was rated in Calyx Global's lowest tier (Tier 3) due to an extremely high risk of over-crediting. Renoster, a former ratings agency, also rated this project a 0.15, saying that "for every credit issued, it reduces 0.15 tonnes of carbon"—the equivalent of over 500% over-crediting. There were nearly 7 million tonnes of these credits retired, 80 percent by just three global energy companies.

Issuances also revealed activity with poor quality (Tier 3) credits. For example, a hydropower project in Brazil and a REDD project in the Central African Republic both issued over a million new credits in 2025. This is bad news for the market, as these credits have presumably been bought to retire or to resell to retiring organizations.

Avoidance vs. removals: The misperception around quality continues

We've said it many times, but we will keep saying it until the misperception no longer exists: **There is no inherent reason why removals are higher quality than avoidance credits.** In fact, looking at Calyx Global's 1000+ ratings, we see a very similar distribution of GHG integrity.

Quality of removals and avoidance

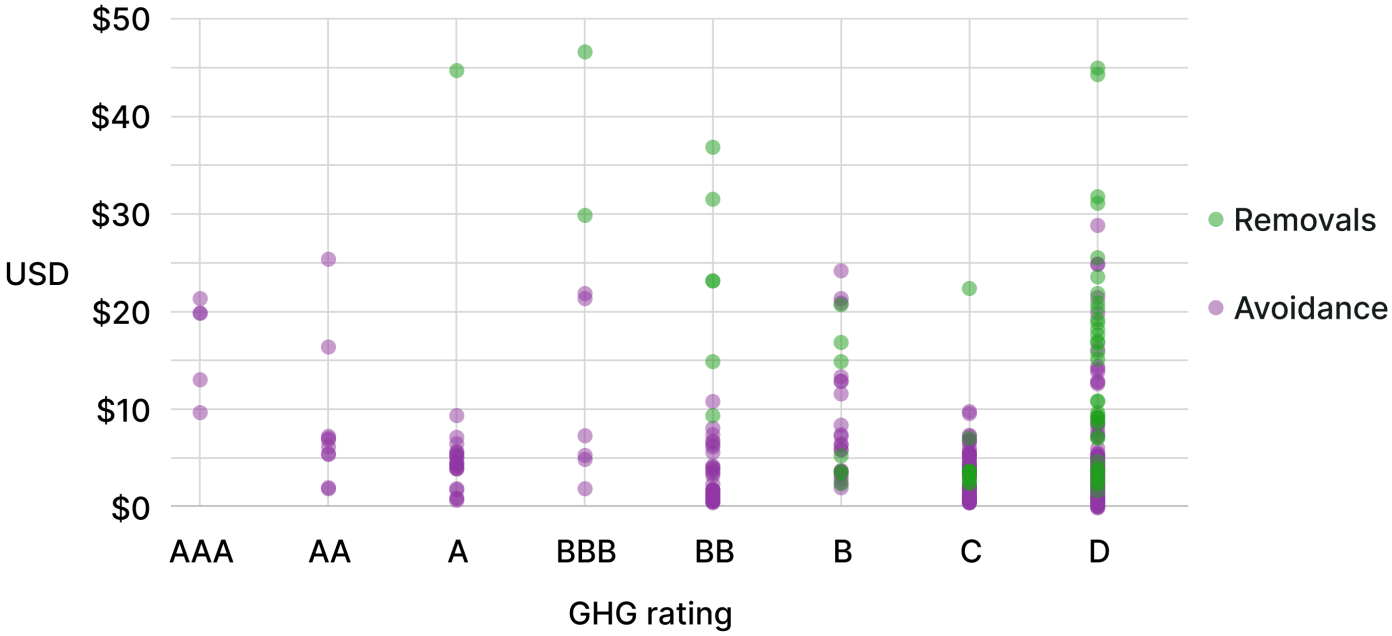


People often say that removals feel more “real” or that the baseline is easier to set. These are common misunderstandings. Planting a tree is no more real than eliminating refrigerant gas at a destruction facility. And the baseline for removals can also be as tricky as avoidance. For example, in many locations, trees grow naturally, or it is “business as usual” to plant them because they generate value from the timber or pulp that is produced. This can be as difficult to judge as whether trees will be cut down or whether methane from a landfill will be collected and destroyed.

This misperception leads to **pricing that appears to reward the type of project (i.e., removal) rather than its quality.** The figure below illustrates this trend, where we see higher prices for credits of the same quality (especially for A, BB and BBB ratings).

Price vs. quality of removals and avoidance

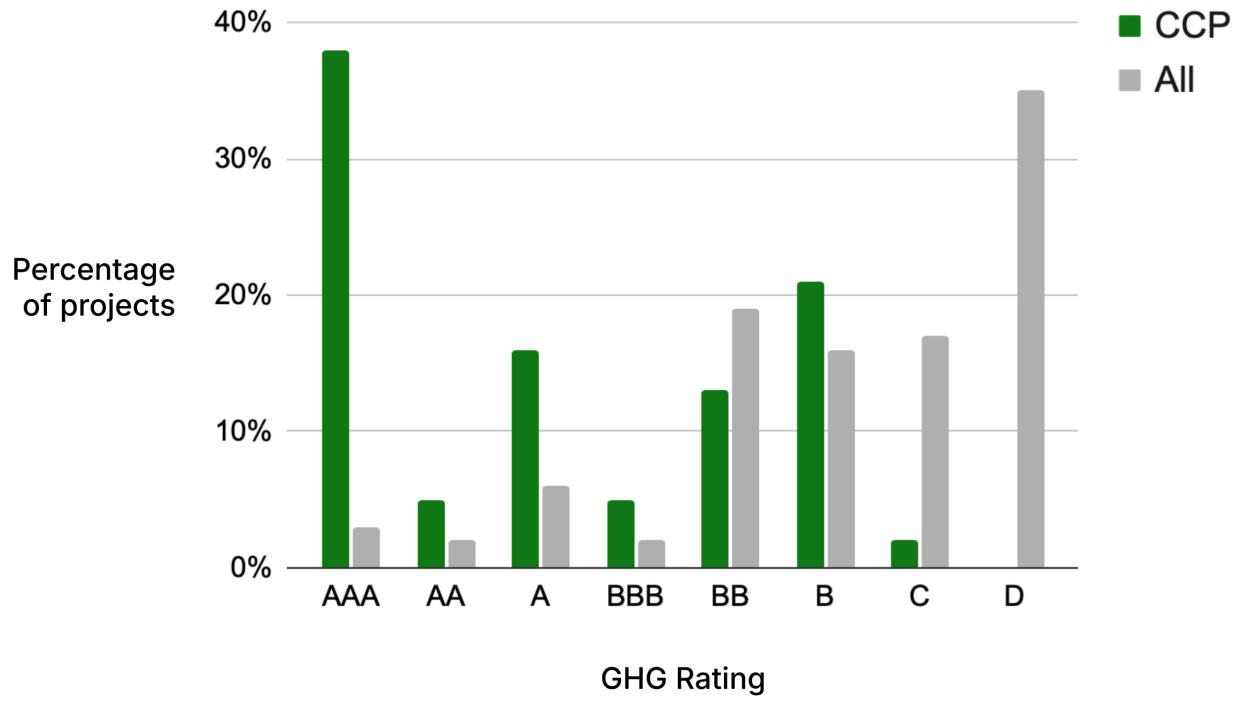
Removal projects are priced higher than avoidance projects, despite similar quality



ICVCM CCPs: A decent indicator of quality

In aggregate, projects that earned the ICVCM’s Core Carbon Principles (CCP) label continue to outperform the overall market. While the CCP tag does not guarantee high quality, higher quality is much more likely in a CCP-labeled credit than in one without the label.

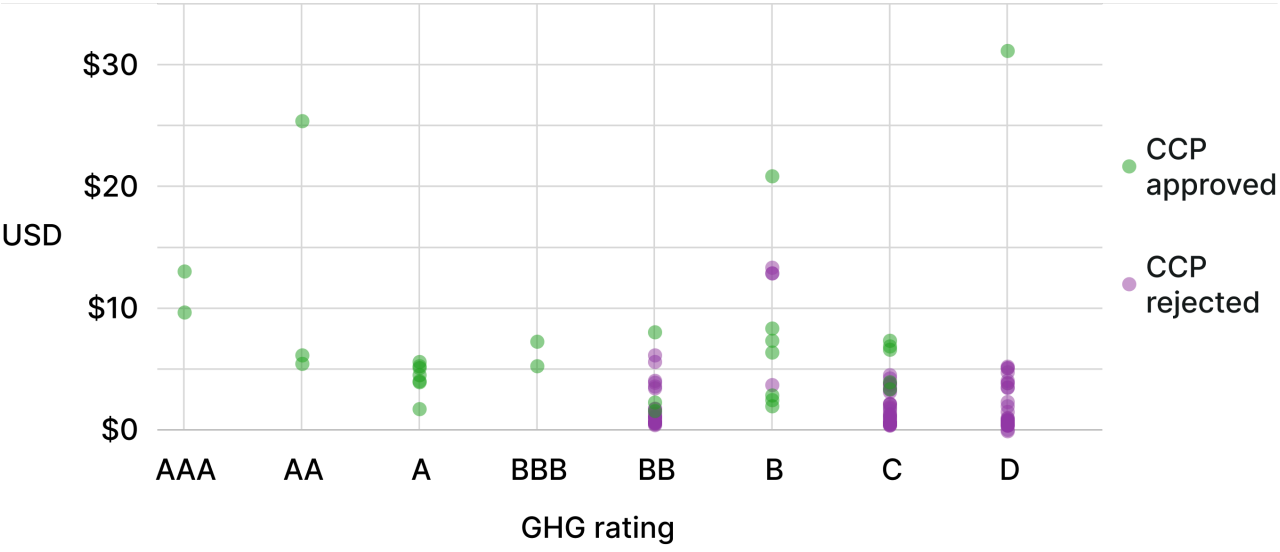
Quality of CCP-approved credits and all credits



This is also slowly starting to hit the bottom line. While rejected projects are being discounted, CCP-approved credits are starting to see a price premium. Some buyers are using the ICVCM status as a screening for higher integrity, although we caution that there are still some lower quality projects receiving the CCP tag, as shown in the chart above and below.

Price vs. quality of CCP-approved credits and all credits

CCP-approved credits are starting to see a price premium



Looking forward: Building a market to last

Calyx Global's 2026 roadmap: Top 5 things to improve market integrity

An analysis from Calyx Global of 2025 issuances and retirements suggests that just five changes would lift the market in the new year.

#1 - Accelerate the transition to "new" REDD credits

A multi-year effort to improve and replace REDD methodologies is progressing, but too slowly. Verra launched a new methodology (VM0048) in 2023, and all REDD projects are expected to transition to this methodology. It has taken time, however, because the new methodology required several steps: (1) Contracting independent third parties to generate new maps for each country that include forest cover and deforestation events over time; and then (2) Contracting another third party to generate "risk maps" to predict where new deforestation may occur in the future. These efforts should substantially diminish the risk of over-crediting that has led to a loss of confidence in REDD credits. This process has taken several years, but we expect higher-quality REDD credits to emerge soon.

#2 - Immediately avoid non-additional renewable energy credits

It is notable that the ICVCM rejected most methodologies for large-scale grid-connected renewable energy projects. Hydropower, wind and solar still comprise a large amount of credits trading in the market today, despite numerous studies and articles suggesting their additionality is questionable. Carbon credit revenue is usually insignificant compared to revenue from energy generation. There are only a few, unique situations where we find higher quality credits from such projects: where there are barriers to implementing large-scale renewable energy due to a poor investment climate and very low penetration rates for the technologies.

#3 - Implement the new "cookstove cookbook" for high quality

Cookstove credits were one of the categories that dragged the Calyx Carbon Integrity Index™ down in 2025, reflecting persistent concerns around over-crediting. Efforts to lift the quality of cookstove credits have been underway for a while, but 2025 stands out as the year things started to come together. The Clean Cooking Alliance released a practical Buyer's Guide, and the ICVCM approved several cookstove methodologies for CCP labelling, with much tougher requirements. These included stricter rules on how baseline fuel is determined, more conservative fNRB estimates, and better monitoring of whether stoves are actually being used. If these integrity safeguards are adopted at scale in 2026 and beyond, cookstoves could shift from being a trust liability to a trust-building category, while delivering health and energy-access co-benefits.

#4 - Scrutinize monoculture plantation projects

The rush to removals saw afforestation-reforestation credits get snapped up, regardless of their quality. But there is a wide range of GHG integrity in such projects, which currently rate from A all the way down to D in Calyx Global's rating system. Buyers should be discerning when purchasing such credits. Some are not additional, resulting in low-integrity issuances. In particular, commercial plantations, where planted trees are harvested and then sold for timber or other products, may not require carbon finance to be viable. Moving away from, or at least heavily scrutinizing, projects that implement monoculture timber plantations or other commercial planting activities is a necessary step to finding higher-integrity afforestation-reforestation credits.

#5 - Use more credible baselines for improved forest management projects

IFM projects are appealing in part because they deliver high volumes that are not readily available in other nature-based project types. Unfortunately, the way that baselines are set can result in a high risk of over-crediting. We see substantial baseline overestimation in over half of the IFM projects we have rated.

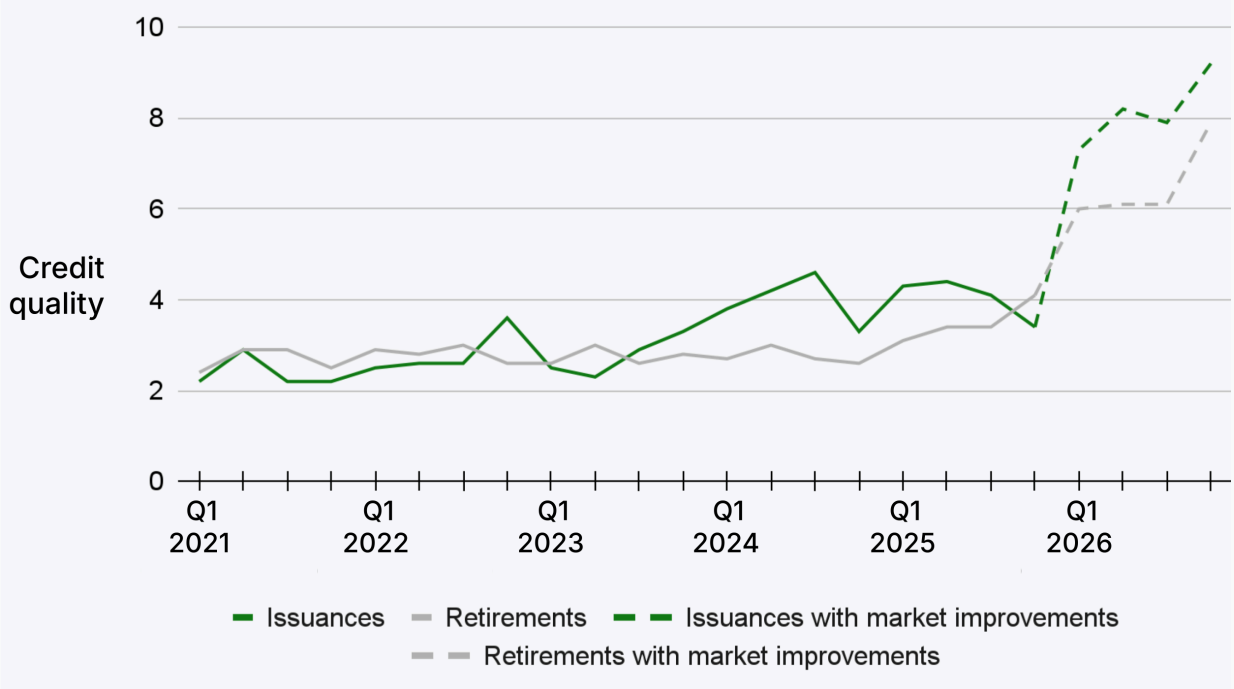
One issue is that forests are eligible for "Log-to-protect" projects even if they have no prior history of logging. With no prior history of logging, it can be difficult to set a business-as-usual baseline. It could be anywhere from zero emissions (no harvest, as observed) to a lot (with a model). If the landowners were determined to start harvesting, the best proxy might be the level of harvest achieved in nearby properties under similar ownership conditions. But this is not how baselines have historically been set. Even for forests with a history of logging, projects are not always required to consider past harvesting rates when setting a forward-looking baseline. Instead, projects may propose harvest levels consistent with maximizing the net present value of timber, totally disassociated from historical practice.

Our wish is for IFM baselines that reflect the likely harvest in the absence of a carbon project. This wish could come true, depending on how new projects implement guidance around baseline setting. Both new methodologies and the latest version of old methodologies have promising approaches.

What if...

...these five recommendations came true in 2026? If 2026 had the same carbon credit issuance and retirement trends as 2025, only with our five recommendations incorporated, **the issuance index would shoot up to 9.2/10, and the retirement index would reach 7.9/10**. This is a roadmap for a market we would all like to see. It's a market in which buyers on the sidelines dare to come in. Where the spines of those who believe climate action now matters, regardless of what skeptics might say, are stiffened to the point of action. A market that finally moves out of this carbon winter.

Credit quality with Calyx Global's market integrity improvements



Bringing back market confidence: No excuses

The market continues to wrestle with a crisis of confidence. Unfortunately, 2025 wasn't yet the year when the underlying issues were confined to the dustbin of history.

To restore confidence, **we need a conscious, all-stakeholder rejection of junk credits**. The single fastest lever for recovery of trust in carbon markets is entirely in the hands of buyers and sellers of carbon credits. Immediately stopping the trade and use of credits that represent the bottom of this market's barrel would go a very long way in re-establishing trust with hesitant buyers and fiery pundits alike. It would also make eminent economic sense for the entire ecosystem, with higher

average prices, stronger growth, and better rewards for developers and stakeholders who work so hard on good projects, but see their prices being determined by the lowest common denominator.

Furthermore, there is no excuse with the **free tools at hand**:

- The **ICVCM**'s announcements of what is CCP eligible is a good place to start; conversely, avoiding credits that use rejected methodologies is key to a market recovery.
- **CCQI** has rated a number of project types and methodologies. One can use this to avoid projects that employ poor-quality methodologies or to determine what to assess when purchasing a credit using a particular methodology.
- **Ratings agencies**, such as Calyx Global and others have made their ratings publicly available. Unless you are willing to engage in deep, technical diligence, avoid buying a credit if poorly rated by one of these agencies, because it means that the organization found a risk that requires investigation.

We are hopeful that the new year will bring renewed confidence in the market, but it will take a concerted effort by all to admit the problems of the past, to ignore or cancel poor quality "legacy" credits and intently move towards higher quality.

Appendix

About Calyx Global

Calyx Global is a carbon credit ratings agency that helps organizations find carbon credits with confidence. Rigorous GHG and SDG ratings, and environmental and social risk analysis help carbon buyers do good for people and the planet. From nature-based solutions to emerging technologies, Calyx Global leads the market with over 680 rated projects (and counting) and the broadest coverage of project types. To learn more visit calyxglobal.com.

About ClearBlue Markets

ClearBlue Markets is an award-winning leader in compliance and voluntary carbon markets, dedicated to helping organizations achieve their emission reduction goals through strategic, data-driven solutions. Its customizable services, including market intelligence, advisory, project development and market access, are powered by ClearBlue Vantage, an AI-enabled platform that provides robust insights and a comprehensive market view. Trusted by hundreds of companies worldwide, ClearBlue enables clients to take decisive action, manage risks and unlock financial value through effective carbon market strategies. Learn more at clearbluemarkets.com.