CORE
CONCEPT

Carbon Markets and Carbon Credits: Compliance Schemes, Voluntary Offsets and Credit Quality

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Introduction:

Carbon markets and carbon credits now reach purchasing, trading and sustainability desks at the same time, yet many organisations buy offsets without checking additionality or permanence, misread their allowance obligations under compliance schemes, or publish climate claims that invite greenwashing scrutiny. This Core Concept course explains how emissions trading systems and carbon taxes work, how the voluntary carbon market issues, transfers and retires credits, and how to judge credit quality against recognised principles. Participants review project and registry documents and produce a Carbon Credit Procurement and Claims Plan for their organisation.

Course Objectives:

- Compare emissions trading systems and carbon taxes and explain how cap, allocation and MRV rules shape an organisation's carbon cost exposure
- Interpret voluntary carbon market structure, programme requirements and registry records from project design to credit retirement
- Classify carbon credit offers by project type and assess additionality, permanence, leakage and double counting risk
- Apply the ICVCM Core Carbon Principles and a due diligence checklist to screen credits before purchase
- Specify a carbon credit procurement route, contract terms and retirement schedule aligned with the organisation's climate claims
- Identify offsetting claim wording and disclosure practices that create greenwashing risk

Target Audience:

- Sustainability and climate specialists responsible for offsetting strategy and public climate claims
- Energy and environmental compliance specialists responsible for emissions reporting and allowance surrender under trading schemes
- Procurement and commercial specialists responsible for sourcing and contracting carbon credits
- Finance, treasury and risk specialists responsible for carbon cost exposure and price assumptions
- Trading and origination specialists responsible for allowance or credit positions and counterparty checks
- Legal, audit and communications specialists responsible for reviewing offsetting and net zero claim wording

Course Outline:

Day 1: Carbon Markets Landscape and Carbon Pricing Instruments

- Carbon Credit Definition: One Tonne of CO2e Reduced, Avoided or Removed
- Carbon Pricing Instruments: Emissions Trading Systems Versus Carbon Taxes
- Compliance Markets and the Voluntary Carbon Market Compared
- Voluntary Market Participants: Project Developers, Verifiers, Brokers and Buyers
- Organisational Carbon Market Exposure and Readiness Assessment

Day 2: Compliance Scheme Design and International Crediting Frameworks

- Cap and Trade Mechanics: Cap Setting, Allowance Supply and Environmental Integrity
- Allocation Methods: Free Allocation, Benchmarking, Auctioning and Carbon Leakage Protection
- Monitoring, Reporting and Verification MRV Cycle and Annual Allowance Surrender
- Allowance Trading Basics: Spot and Futures Contracts, Oversupply and Price Signals
- Article 6 of the Paris Agreement at Overview: Country Use of Credits and the Article 6.4 Mechanism Replacing the CDM

Day 3: Voluntary Carbon Standards, Project Types and the Credit Lifecycle

- Verified Carbon Standard Issued by Verra and Gold Standard Programme Requirements
- Project Types: Nature-Based Solutions, Engineered Removals and Emission Avoidance
- Credit Lifecycle: Project Design, Validation, Verification, Issuance and Registry Retirement
- Carbon Credit Price Drivers: Project Type, Vintage, Co-Benefits and Programme Reputation
- Procurement Routes: Spot Purchase, Forward Offtake Agreement and Broker Tender

Day 4: Credit Integrity, Due Diligence and Claims Risk

- ICVCM Core Carbon Principles: Governance, Emissions Impact and Sustainable Impact Groups
- Additionality Tests and Baseline Scenario Review
- Permanence, Reversal Risk Buffers and Project Leakage Deductions
- Credit Due Diligence Checklist and Independent Rating Approaches
- Offsetting Claims, Double Counting and Greenwashing Risk Controls

Day 5: Case Work and the Carbon Credit Procurement and Claims Plan

- Case Review: Industrial Emitter Allowance Position and Compliance Cost Scenarios
- Case Review: Services Buyer Screening Nature-Based and Removal Credit Offers
- Project Document Red-Flag Review: Baseline, Additionality and Buffer Evidence
- Procurement Specification, Contract Terms and Retirement Schedule Drafting
- Carbon Credit Procurement and Claims Plan Presentation and Peer Challenge

Skills You Will Gain:

- Carbon Pricing Instrument Analysis
- Compliance Scheme Interpretation
- Carbon Credit Integrity Assessment
- Additionality and Permanence Review
- Registry and Retirement Management
- Carbon Credit Sourcing
- Offsetting Claims Governance
- Carbon Price Driver Analysis

Why Attend This Course:

- Return with a Carbon Credit Procurement and Claims Plan covering sourcing route, quality screen and retirement schedule
- Question a broker or project developer on baseline, buffer and registry evidence before a contract is signed
- Read how allocation rules, oversupply, vintage and co-benefits move the carbon prices your organisation faces
- Compare carbon market practice with participants from industry, energy, aviation, finance and services organisations

Conclusion:

Credible use of carbon markets depends on knowing what an allowance or a credit represents, how it was created and what it allows an organisation to claim. The course moves from carbon pricing instruments and market structure, through compliance scheme design and Article 6 at overview, to voluntary standards, project types, the credit lifecycle and price drivers, then to integrity principles, due diligence and claims risk. The final day applies case review to real document sets and produces a Carbon Credit Procurement and Claims Plan.