

# Voluntary Carbon Offset Buyers' Analysis, 2017

## Speakers:

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# Unlocking Potential

State of the Voluntary Carbon Markets 2017

Buyers Analysis



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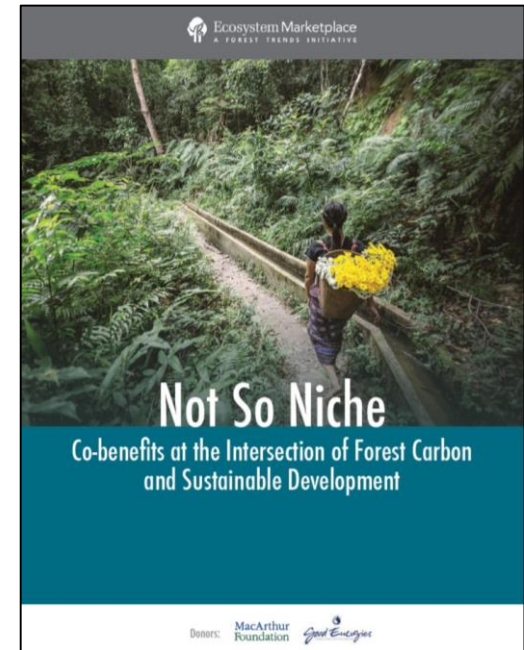
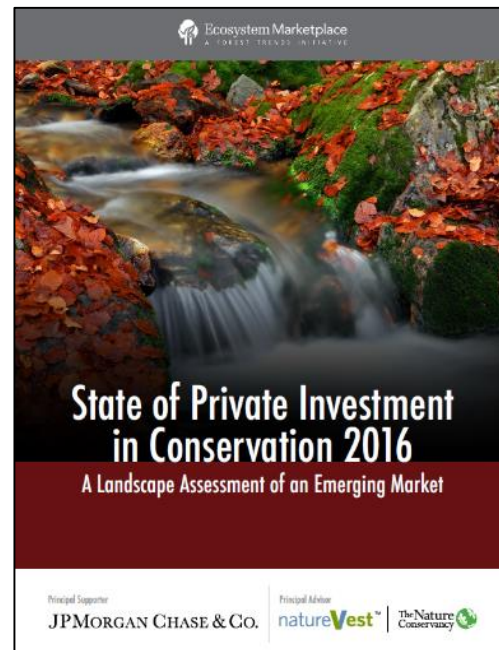
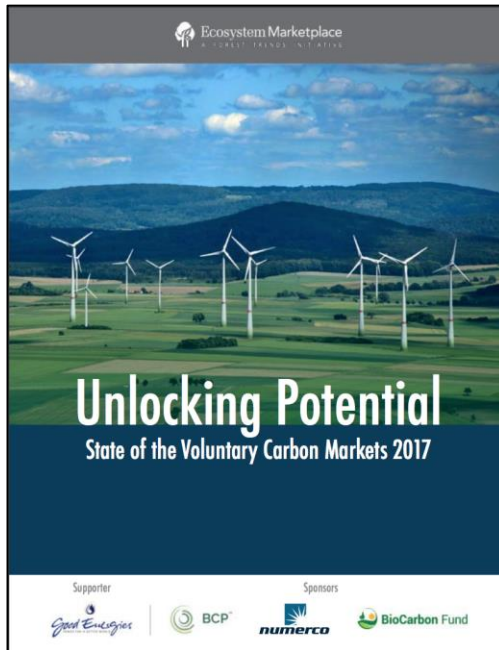


**THE CLIMATE TRUST**

**Baker McKenzie.**

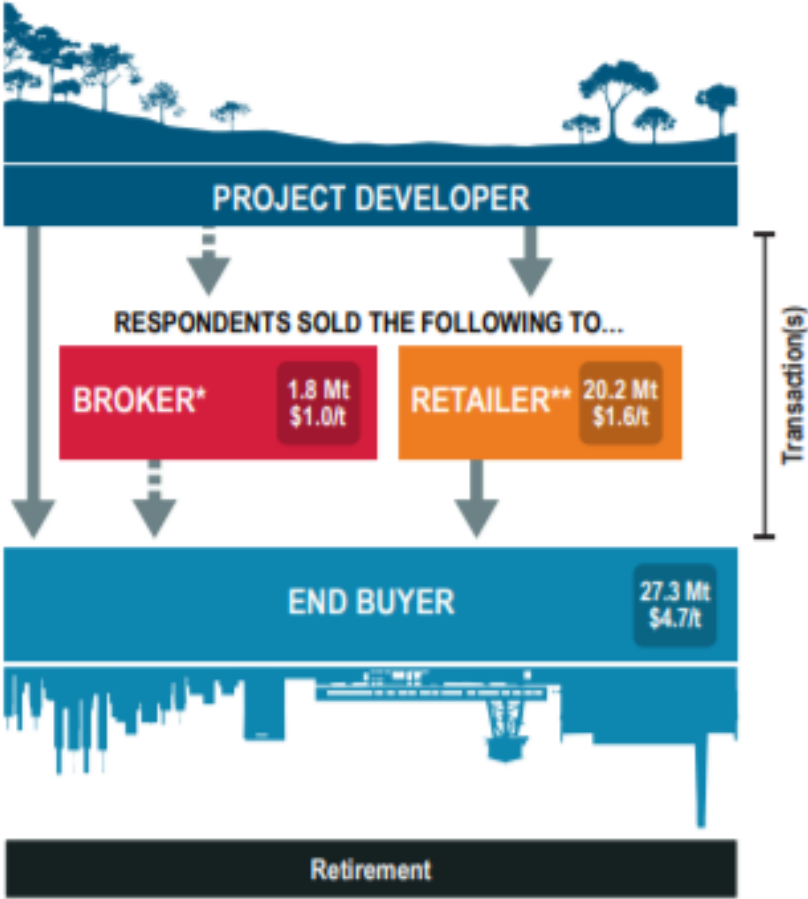
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A Global Benchmark for Carbon

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# HOW DOES THE OFFSET CYCLE WORK?



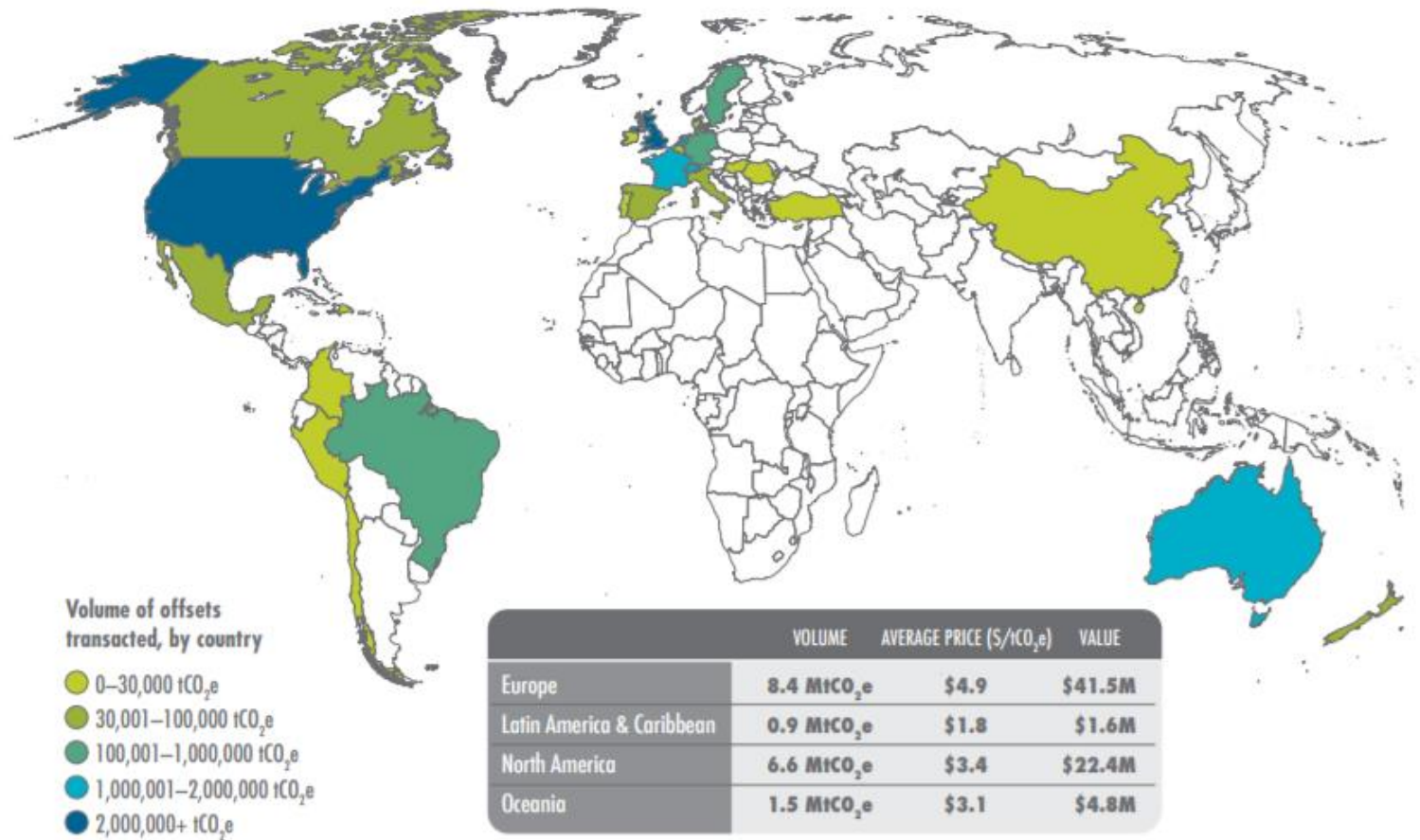
Notes: Based on 49.2 MtCO<sub>2</sub>e of offset data





# WHERE ARE BUYERS LOCATED?

Market Size by Project Region and Country, 2016

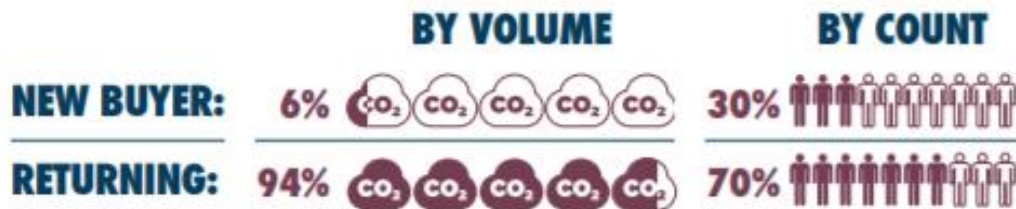


Notes: Based on survey responses representing 17.5 MtCO<sub>2</sub>e transacted to intermediary and end buyers. Africa and Asia are not included in table due to insufficient data.



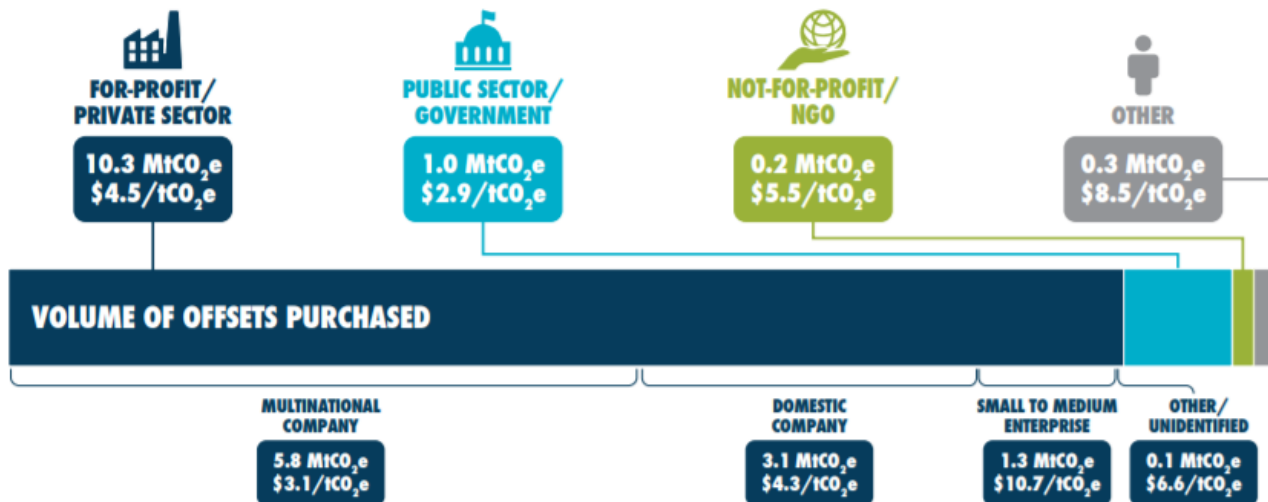
# WHO IS BUYING OFFSETS?

Market Volume and Transactions by Buyer Experience, 2016



**NOTES:** Based on survey responses representing 16.8 MtCO<sub>2</sub>e transacted to end buyers.

Buyers by Volume and Price, 2016

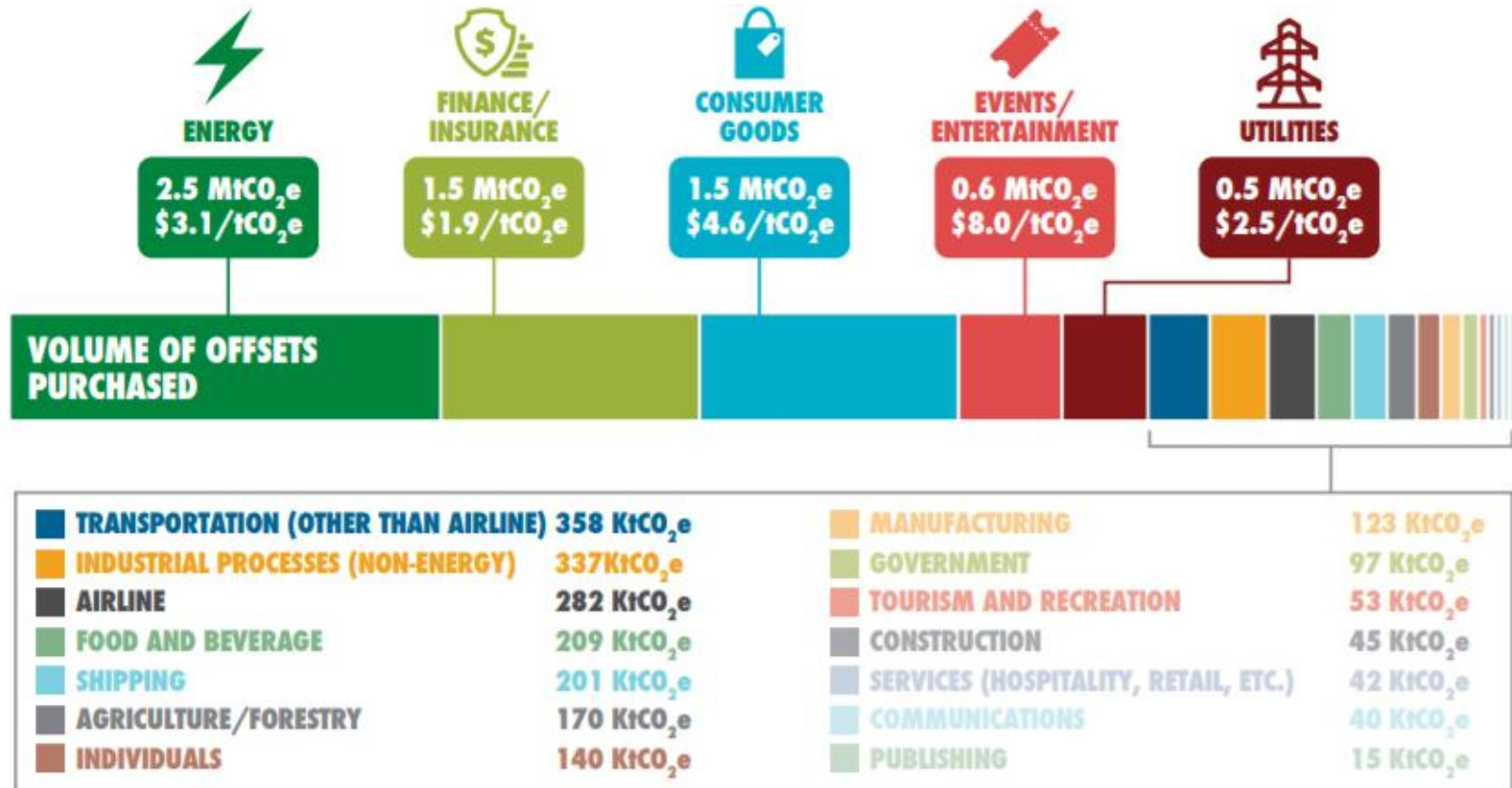


Notes: Based on survey responses representing 11.7 MtCO<sub>2</sub>e transacted to end buyers by all suppliers.



# WHAT SECTORS WERE OFFSET BUYERS IN?

Volume of Offsets Purchased and Average Price Paid by Buyer Sector



Notes: Based on survey responses representing 8.9 MtCO<sub>2</sub>e transacted to end buyers.



# WHY DID BUYERS BUY?

VOLUME

VALUE

Climate Leadership

23%

44%

Pursuit of GHG Targets

39%

34%

Pursuit of Climate-Driven Mission

21%

13%

Engage Customers/Clients

12%

5%

Sustainable Supply Chain Development

3%

4%

Promote Organization/ Staff Learning

1%

<1%

Climate Change Affects Business Model

1%

<1%

Anticipation of Direct Regulation

1%

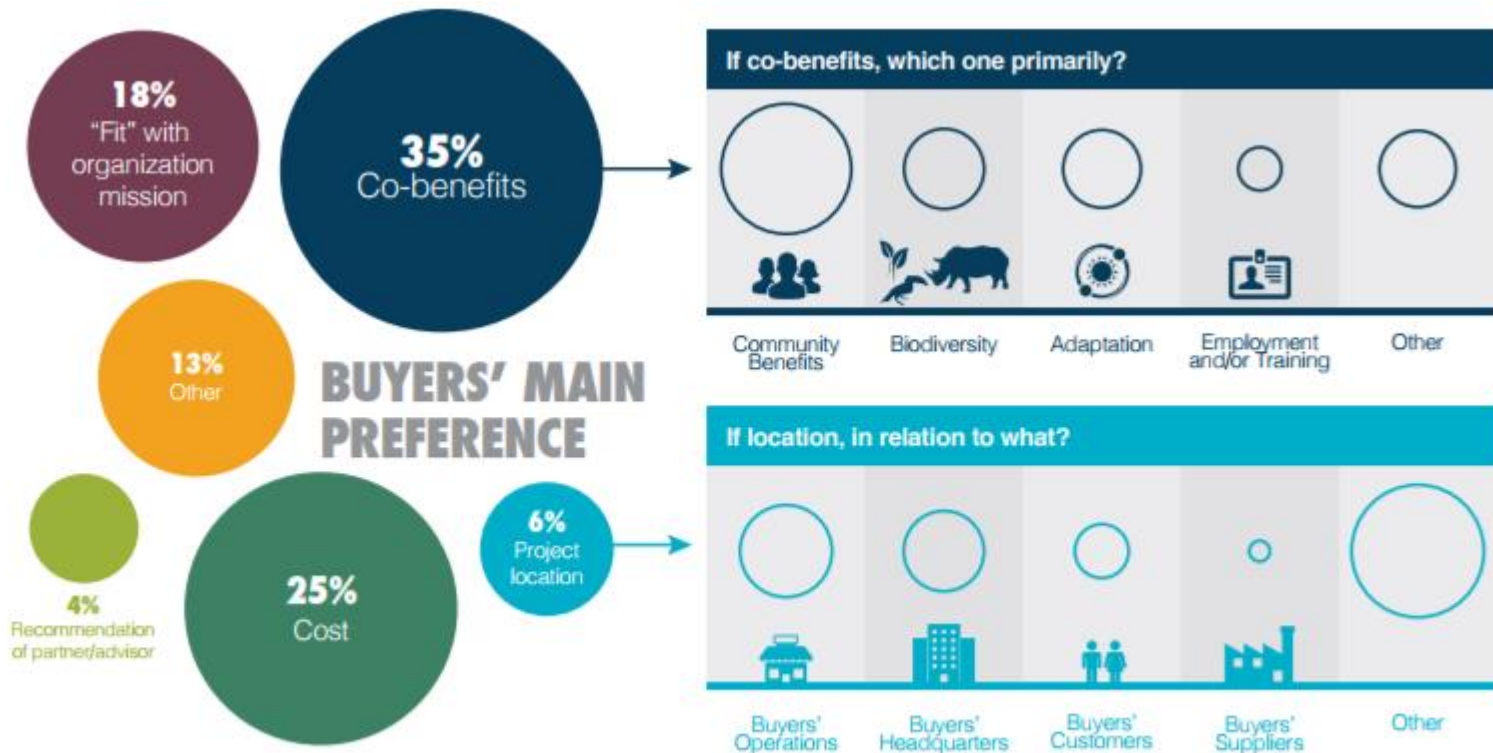
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# HOW DID BUYERS CHOOSE WHICH OFFSETS TO BUY?

Share of Offset Volume by Buyer Preference When Choosing Offsets

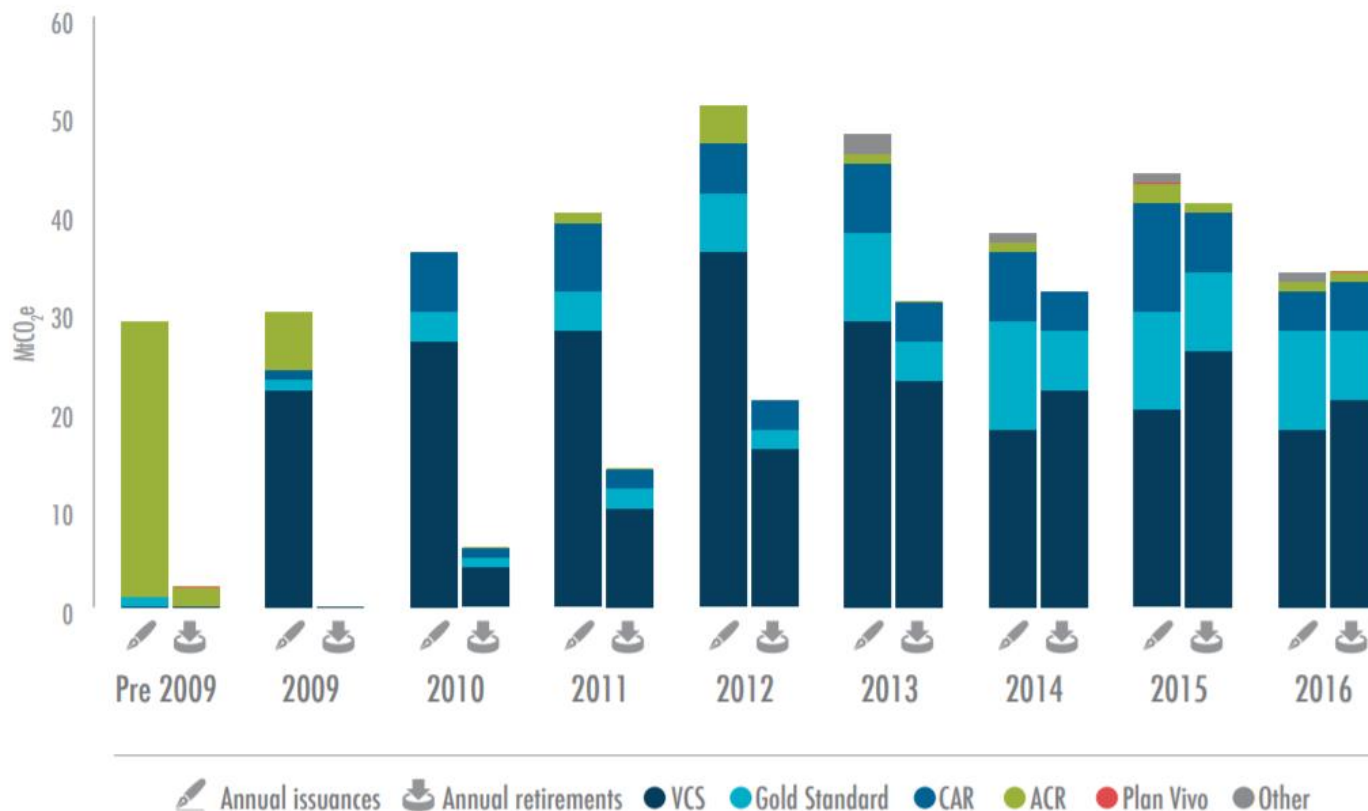


Notes: Based on survey responses representing 16.8 MtCO<sub>2</sub>e transacted to end buyers. Of those, 6.1 MtCO<sub>2</sub>e also include a specified co-benefits preference and 2.6 MtCO<sub>2</sub>e have specified a location preference.



# HOW MUCH OF THE AVAILABLE SUPPLY DO BUYERS PURCHASE?

Offset Issuances and Retirements by Standard, Pre-2009 through 2016



Notes: Based on annual issuance and retirement data from the Verified Carbon Standard (VCS), the Gold Standard, the Climate Action Reserve (CAR), the American Carbon Registry (ACR), and Plan Vivo. Data acquired from Markit and APX offset registries.



# MYTHBUSTING: WHY IS OFFSETTING IMPORTANT?

## MYTH 1: COMPANIES BUY OFFSETS TO BUY THEIR WAY OUT OF THEIR OBLIGATIONS



Notes: Based on Forest Trends' Ecosystem Marketplace's Buying In report, which uses 2014 CDP data.<sup>15</sup>



# MYTHBUSTING: WHY IS OFFSETTING IMPORTANT?

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## MYTH 2: OFFSETS DON'T REPRESENT REAL REDUCTIONS

In 2016,  
**99%**  
of offsets sold on  
the voluntary market  
were certified by a  
standard.

Carbon standards require developers to demonstrate that their emissions are:



**real**

the project actually removed or prevented  
GHGs from being emitted into the atmosphere



**measurable**

the volume of GHGs can  
be accurately measured



**verifiable**

a neutral, third party auditor  
has verified the offsets



**additional**

the GHG reductions would not have  
been achieved without that offset

Notes: Based on transactions representing 48.8 MtCO<sub>2</sub>e in the State of the Voluntary Carbon Markets 2017 report.



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# MYTHBUSTING: WHY IS OFFSETTING IMPORTANT?

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## MYTH 3: OFFSETS AREN'T SUFFICIENT FOR LARGE SCALE CLIMATE CHANGE REDUCTIONS

Of the 140 MtCO<sub>2</sub>e in offsets reported to the CDP, companies purchased nearly 40 MtCO<sub>2</sub>e (with the remaining companies either producing offsets for sale externally or offsetting internally within their supply chain). This is equal to the carbon sequestered by 1 billion tree seedlings grown over 10 years.



Notes: Based on Forest Trends' Ecosystem Marketplace's Buying In report, which uses 2014 CDP data.<sup>15</sup>







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Supporters:

