

# **Entrenching a New Era of Climate Colonialism Part Two: Carbon Market Non-Negotiations at COP30**

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*This article is a sequel to “[Entrenching a new era of climate colonialism: Carbon Dioxide Removal, carbon markets and Nature Based Solutions at COP30](#)”, which was published ahead of the Belém climate talks.*

At a time when the credibility of the UNFCCC process is under mounting scrutiny and the pressure for decisive, near-term climate action is crucial, the outcomes of COP30 fell considerably short of what the moment demanded. COP30 concluded without securing language on a fossil-fuel phase-out or establishing a credible global roadmap to halt deforestation. The conference also fell short in several other critical areas.

While the inclusion of long-overdue commitments on gender equality and the recognition of Afrodescendent Peoples in final texts is meaningful, these gains are overshadowed by the summit’s broader shortcomings. Ultimately, COP30 delivered a patchwork of voluntary initiatives rather than binding commitments, leaving the core task of transformative climate action, especially a fossil-fuel phase-out, largely unaddressed.

Despite the absence of “negotiations” on Article 6 of the Paris Agreement, the dynamics around carbon market discussions resembled de facto negotiation tracks, defined by late-night huddles, opaque deal-making, and persistent power imbalances. It is telling that Article 6 negotiators were among the last remaining at the negotiation tables, working past midnight on consecutive nights, even as other negotiators had long departed.

In addition to the informal ‘non-negotiations’, several other initiatives were bolstered at COP30, including new coalitions, alliances and government-led programs. This article outlines these key initiatives, examines the underlying points of contention that animated the Article 6 ‘non-negotiations’ at COP30, and considers what they reveal about the trajectory of Article 6 implementation in the coming year.

## **A Slew of Coalitions and Alliances on Carbon Markets Launched at COP30**

### **Open Coalition for Compliance Carbon Markets**

The Open Coalition for Compliance Carbon Markets was launched the week before COP30 officially began during a high-level segment. The 18-member Open Coalition represents a largely symbolic and voluntary initiative by the Brazilian government, framed as an attempted corrective to what market advocates characterize as a global “patchwork” of fragmented and weakly governed compliance carbon markets. Proponents contend that the central failure of carbon markets lies not in their structural flaws or documented integrity crises, but in the absence of linkages among disparate national systems. In this view, the Coalition’s purpose is to rally countries around a political commitment to “harmonize” these systems through Article 6, positioning market integration as a technical

fix for what are, in fact, deeper global economic and historical geopolitical conflicts.

Despite its brevity, the declaration reproduces familiar market-oriented claims, asserting without evidence that carbon markets “have proven effective in driving decarbonization.” The initiative currently includes Brazil, China, the European Union, the United Kingdom, Canada, Chile, Germany, Mexico, Armenia, Zambia, France, Rwanda, Andorra, Guinea, New Zealand, Monaco, Singapore, and Norway. Participants in this group appear to signal political support for market expansion rather than a shared commitment to resolving the structural deficiencies that continue to undermine global carbon trading.

## Joint Crediting Mechanism (JCM)

Japan’s JCM was launched in 2013 and took on increased focus at COP30, with Japan and India highlighting its use in bilateral approaches and principles that can be applied to Article 6. Japan also bolstered business interest through a government-led initiative to reduce emissions in the agriculture sector. The plan aims to deploy technologies overseas to be used in participating countries. One example is the Yanmar project in the Philippines that uses Alternate Wetting and Drying (AWD) in rice paddies and claims this process reduces methane. These supposed reductions can then be used by Japan and the Philippines in their nationally determined contributions (NDCs), which are national climate commitments under the Paris Agreement.

It is not only nature-based removals that Japan will invest in. Direct air capture (DAC) is rapidly becoming central to Japan’s emerging climate strategy. The corporation Heirloom recently announced a \$150 million investment backed by the Development Bank of Japan, Chiyoda Corporation, Japan Airlines, United Airlines, Mitsubishi Corporation, and Mitsui & Co. aimed at deepening corporate and state alignment around carbon removal technologies. This surge of investment coincides with Japan’s shift from a voluntary to a mandatory emissions-trading system, called the GX-ETS, positioning the country to host what is expected to become Asia’s second-largest carbon market.

## Coalition to Grow Carbon Markets

The Coalition to Grow Carbon Markets was launched in June at the London Climate Action Week led by the UK, Singapore and Kenya. This is yet another coalition seeking to ‘harmonize’ policies and expand the carbon markets. At COP30, the Coalition grew its numbers to 11 countries under the Coalition’s Shared Principles for Growing High-Integrity Use of Carbon Credits.

Singapore has held a central role in carbon trading over the last 15 years. The city state has already signed multiple bilateral Article 6.2 agreements that allow companies based in Singapore to buy credits from the host country and offset their carbon tax in Singapore. In September, the government of Singapore claimed it will offset more than 2 million tonnes of nature based carbon credits to be used in its NDC from bilateral agreements with Ghana, Peru and Paraguay.



A sign promoting carbon markets at the Indonesia Pavilion at COP30.

## Article 6 Ambition Alliance (AAA6)

The AAA6, spearheaded by Switzerland, was formally introduced at COP30. The alliance includes a mix of countries in the Global North and Global South, such as Germany, Sweden, Norway, Ghana, Zambia, and Peru. The AAA6 claims to have been formed in order to narrow the gap between existing NDCs and the temperature goals of the Paris Agreement. Several features of the AAA6 point to scaling up Article 6 carbon markets by member countries pledging to use carbon markets beyond counting towards an NDC.

The AAA6 invites private company contributions to 'high integrity' credits, and particularly points to the use of carbon dioxide removal (CDR) as a way to narrow the gap by stressing:

*"...the need to durably remove carbon from the atmosphere to balance remaining hard-to-abate emissions by 2050 in accordance with the findings of the IPCC. We therefore call on governments and companies to start engaging in carbon dioxide removals through Article 6."*

## What Forest Agreement?

Hosted in the Amazon and heralded in advance as the Forest COP, the Implementation COP, and even the Truth COP, ultimately COP30 delivered on none of these promises and failed even to produce a substantive outcome on deforestation. The Global Mutirão text contains a cursory reference to halting and reversing deforestation in its preamble. Beyond a passing mention in the Mitigation Ambition and Implementation Work Programme (MWP), the only major forest-related initiative at COP30 was the arguably failed launch of the Tropical Forests Forever Facility (TFFF). Just ahead of COP30 in October, the TFFF was placed under the World Bank as interim host and trustee, whose track record on climate and development raises profound concerns.

Yet, the battle over forests unfolded not in the forest agenda itself, but in the Article 6 "non-negotiations," where debates on carbon markets, offsets, and Reducing Emissions for Deforestation and forest Degradation (REDD+) positioned forests squarely at the center of broader struggles over market expansion and nature-based carbon credits. This dynamic came to the fore in the closing plenary, when the Coalition for Rainforest Nations (CfRN), presented by Honduras, underscored their commitment to REDD+ [1]. The statement welcomed the reference to halting and reversing deforestation under Article 5 of the Paris Agreement in the Global Mutirão text and within the MWP, but used this acknowledgment to reinforce its wider REDD+ agenda by stating:

*"We express the need for high-integrity carbon markets for forests. International carbon market mechanisms must harness Article 5 [REDD+] and 6.2 verified UNFCCC REDD+ ITMOs [Internationally Transferable Mitigation Outcomes], including robust safeguards, if we are to meet our climate goals."*

Notably, the paragraph on forests in the Global Mutirão text extends its framing to include terrestrial and marine ecosystems as greenhouse gas sinks. Despite this language, the text remains an aspirational document issued by the COP30 Presidency rather than a binding outcome. By contrast, the Belém Political Package refers to formal negotiation decisions adopted at COP30.

In a striking reflection of the broader market-driven orientation permeating the COP, Honduras, Suriname and the CfRN reaffirmed its faith in capitalism as a driver of environmental progress and announced a new REDD+ partnership with Deutsche Bank AG, Bayer AG, Siemens AG and Symrise AG to issue high-integrity Rainforest Carbon Credits that will "finance rainforest conservation". This declaration captured the contradictions of COP30: a meeting proclaimed as the Forest COP, yet one in which forests became primarily a vehicle for expanding carbon markets rather than a focal point for protecting ecosystems, the rights of Indigenous Peoples, Afrodescendants and women.

## Inside the End of the CDM and the Non-Negotiations

# of Article 6 at COP30

## The End of the CDM Era, Almost

Years of gridlock around the Kyoto Protocol's Clean Development Mechanism (CDM), particularly debates over whether to extend its life and how to redirect the remaining CDM Trust Fund, have long symbolized the unresolved contradictions of legacy carbon-offset regimes. Though largely unacknowledged in official narratives, COP30 can plausibly claim one substantive achievement: it finally delivered the long-overdue decision to terminate the CDM, a step that should have been taken years earlier and is indeed something to celebrate.

Yet even this closure was muddled by procedural retreat. Negotiators agreed to push back the end-of-2025 deadline for CDM projects seeking transition into the Article 6.4 mechanism, extending it once again to June 2026. This is not a benign grace period; it reads more as an implicit admission that the CDM failed on both environmental integrity and social legitimacy. It also betrays a deeper anxiety: that an abrupt cutoff would send a surge of weak or discredited CDM projects into the new Article 6.4 pipeline, exposing the structural vulnerabilities of Article 6 to heightened scrutiny.

The most contentious issue centered on the future of the CDM Trust Fund. The Africa Group of Negotiators (AGN) has maintained a consistent hard line against powerful countries in the Global North by arguing for the remaining resources to be directed to the Adaptation Fund. In contrast, the EU and other Global North actors have pushed to channel the funds toward Article 6.4, reflecting their preference for market-oriented approaches over the Adaptation Fund. In the end, the outcome favored the priorities of the Global North. The final text:

*Requests the Executive Board to review and reduce its expenditure and not to spend more than USD 8.3 million from January 2026 until the closure of the operations of the clean development mechanism with a view to maximizing any remaining balance from this allocation to be transferred to the Adaptation Fund;*

and more concretely,

*Decides, recalling decision 2/CMP.16, to authorize an additional transfer of USD 26.8 million from the trust fund for the clean development mechanism to the trust fund for the mechanism established by Article 6, paragraph 4, of the Paris Agreement, with the aim of maximizing the long-term benefit for the Adaptation Fund.*

The operative words here are 'with the aim of'. Ultimately, given that it took years of negotiations to close the CDM through a dubious process, it remains to be seen if the earmarked funds will ever be redirected to the Adaptation Fund.

## Article 6.2 of the Paris Agreement – Huddling into the Wee Hours

The first week of COP30 featured a two-part Article 6.2 Ambition Dialogue totalling six hours of presentations that offered more signaling than substance. Following the completion of a national review, Australia publicly affirmed that it will not rely on Article 6.2 to achieve its NDC and emphasized its intention to focus on expanding domestic CDR infrastructure rather than depending on global markets. Worth noting, CDR is permitted under Article 6.2, and Norway and Switzerland have already operationalized the first ITMO trade using CDR, illustrating how "ambition" in Article 6.2 continues to hinge on technologies and accounting maneuvers rather than a systemic fossil fuel phase out.

Ahead of COP30, the EU unveiled its proposed 2040 target, a 90 per cent emissions cut from 1990 levels, while allowing up to 5 per cent of that reduction to come from international carbon credits. This effectively signals continued reliance on offsetting rather than full domestic fossil fuel reductions. Market proponents immediately framed the move as a major boost for Article 6, noting that EU member states could demand at least 200 million tonnes of credits, which would double current Article 6.2 demand. In practice, the EU's target risks deepening

dependence on global offsets and shifting mitigation burdens onto the Global South, the very regions most affected by climate change.

While the Ambition Dialogue consumed a disproportionate share of negotiating time during the first week, the Article 6.2 ‘non-negotiations’ began at the weekend with a sprawling text encompassing multiple issues. Central points of friction concerned the handling of the annual compilation and synthesis of the results of the Article 6 technical expert reviews. Sticking points were around alleged inconsistencies in Parties’ reporting, including responses, recommendations, and publishing the information for greater transparency. Crucially, several negotiators repeatedly asked what these supposed inconsistencies were, but no concrete examples were provided, even though they were included in the first technical expert review, raising questions about whether the concern was alluding to the transparency in reporting or simply a procedural lever.

The concern regarding inconsistencies relates to double-counting between Party reporting and how to resolve future inconsistencies. Additional concerns included in this section request the Secretariat to organize an informal interactive dialogue to discuss inconsistencies. The word ‘micromanaging’ came up. Some countries suggested that the Ambition Dialogue could serve as a venue to address these issues, but the Like-Minded Developing Countries (LMDC) and some others in the Global South rejected this proposal, insinuating that this could empower wealthier countries to police the reporting of developing nations without clear justification. In the end, the request for an informal interactive dialogue at COP31 was upheld:

*11. Requests Article 6 technical expert review teams to clearly explain their findings on any inconsistencies and any recommendations on how to resolve them in their reports;*

*12. Also requests the secretariat to organize an informal interactive dialogue, to be held in a facilitative, non-punitive, non-prescriptive manner in conjunction with the sixty-fifth sessions of the subsidiary bodies (November 2026), to facilitate the identification of recurring themes and lessons learned for consideration by Parties of the compilation and synthesis of the results of the Article 6 technical expert reviews [...].*

Other areas of contention included the lack of infrastructure for recording and tracking, concerns about capacity-building, and funding. The drafting process cycled through at least three iterations with prolonged, informal huddles that LMDC and other negotiators rightly criticized as exclusionary. The huddles were structurally biased by being physically inaccessible to all but tall men from the Global North who could elbow their way to the front, and dominated by rapid and idiomatic English with no interpretation into other languages. From the outside, the process reproduced familiar power hierarchies, revealing how UN decision-making entrenches inequalities. As the final week unfolded, these ‘non-negotiations’ stretched to midnight, even as every other negotiation track had long since adjourned, an emblem of the outsized political weight and persistent opacity surrounding Article 6.

The text includes a request to the Subsidiary Body for Implementation to discuss in Bonn in June 2026 funding for “operation and maintenance of the infrastructure of Article 6, paragraph 2, Article 6 technical expert reviews and capacity-building activities in respect of Article 6, paragraph 2,” and to send the resulting text to CMA at COP31, which will take place in Turkey.

## **Article 6.4 – “Nothing is Decided Until Everything is Decided”**

COP30 became host to an aggressive push by carbon market interests to reopen decisions, such that the Article 6.4 text issued on the 13th of November was saturated with loopholes that would reverse years of work mandated by the CMA (the governing body of the Paris Agreement). Proposals ranged from weakening baseline-setting rules, including attempts to undo the downward-adjustment requirement, to exempting nature-based solution projects from accounting for international leakage. The Article 6.4 text underwent four rewrites, multiple late-night huddles, shaped by the same exclusionary huddle power dynamics plaguing Article 6.2. While the final outcome remains deeply unsatisfactory, the text could have been worse – a reminder of what counts as a “win” in this space.

In both the Article 6.2 and Article 6.4 rooms, the texts were played against each other and against other negotiation streams. Several times the texts in both the Article 6.2 and Article 6.4 rooms were put in full brackets

and we heard multiple times from the LMDCs that, “Nothing is decided until everything is decided.” Playing items between negotiation streams is a common negotiating tactic used by most Parties.

Looking ahead to 2026, the mechanism faces substantial unfinished work. Critical issues around non-permanence and reversals remain unresolved. Key operational components including certain specifications of the Sustainable Development Tool is slated for discussion in March 2026, and the continued development of methodologies through the Methodology Panel will determine specifications for nature-based carbon credits and ‘removal’ projects. In this context, the coming year will reveal the unresolved pieces and how they become new entry points for pressure to weaken standards, replicate past failures, and reshape Article 6.4 into yet another market-driven liability rather than a credible climate tool. Important to note for future organizing, there will be a full review in 2028 to look forward to.

## **Conclusion: Transforming Narratives of Just Transition into Just Another Vehicle for Green Extractivism**

Taken together, the outcomes of COP30 expose a process increasingly unable, or unwilling, to confront the structural forces driving the climate crisis. Across the negotiations, from Article 6’s procedural contortions to the hollow promises surrounding forests and carbon markets, the COP reproduced the very power imbalances it claimed to remedy, privileging market expansion over social justice, corporate interests over scientific evidence, and Global North flexibility over Global South survival. The persistent reliance on offsets, vague political declarations, and technocratic fixes masks a deeper failure to commit to fossil fuel phase-out, protect forests as living systems rather than carbon warehouses, or center the rights of Indigenous Peoples and Afrodescendent Peoples.

As Parties now turn toward implementation, the stakes become more about resisting trajectories that transform narratives of just transition into just another vehicle for green extractivism managed by the World Bank, and coopting gender into another extractive box. A just future demands more than symbolic texts and market-friendly compromises. It requires confronting the political and economic systems that make such evasions possible, and building a climate justice rooted not in trading emissions, but in dismantling the inequalities that fuel them.