



\$250 Billion Carbon Market Emerges as a Major Force in Climate Finance

Carbon markets are rapidly gaining momentum as a key mechanism for directing investment toward emissions reduction projects. Valued at an estimated \$250 billion, the sector is drawing increasing attention from governments, businesses and investors seeking cost effective pathways to decarbonisation.

Speaking at the Energy and Climate Markets Intelligence Initiative, experts emphasised that stronger and more consistent policy frameworks are needed to build confidence in market rules, credit quality and overall integrity. Clear regulation is seen as essential for expanding investment in projects that reduce or remove greenhouse gas emissions.

The discussion underscored the growing role of carbon markets in the global climate transition. As the market continues to expand, transparent governance, credible standards and policy certainty remain central to maintaining confidence and supporting long term emissions reductions.



1.3 Billion Hectares on the Line as Europe Tightens Deforestation Rules

The European Union's Deforestation Regulation will apply to commodities linked to an estimated 1.3 billion hectares of forest, requiring companies importing products such as cocoa, coffee, soy, palm oil, beef, rubber and wood to demonstrate that their supply chains are free from deforestation.

The regulation is expected to influence production and trade practices far beyond Europe. Supporters view the measure as a significant step toward reducing deforestation, lowering emissions and protecting biodiversity. However, experts warn that many small farmers in developing countries may struggle to comply with the new traceability and reporting requirements without adequate financial and technical support.

The regulation's long-term success will depend on balancing strong forest protection with practical implementation. Providing support to smaller producers will be essential to maintaining inclusive supply chains while advancing global sustainability goals.



World's Oceans Experience Hottest June Ever

The world's oceans experienced their "warmest June ever observed" and could see further record-breaking highs in the months ahead as El Niño and climate change push temperatures higher, according to a new report. The European Union's Copernicus Marine Service said that global average sea surface temperatures reached a record 21.0°C (69.8°F) in June, surpassing the previous June records set in 2023 and 2024. Rising ocean temperatures intensify extreme weather and disrupt marine ecosystems.

\$250 billion

Carbon markets are now valued at an estimated \$250 billion, highlighting their growing role in financing global emissions reduction efforts

1.3 billion

The EU's deforestation regulation could safeguard 1.3 billion hectares of forests while supporting small producers

21.0°C

Record global sea surface temperatures of 21.0 degrees Celsius (69.8 degrees Fahrenheit) were recorded in June