The EU has a domestic target for the reduction of greenhouse gas emissions and international credits cannot be used to meet it. Achieving a balance of emissions and removals globally by mid-century would require substantial domestic effort by the major emitters, and offsets should not therefore be relied on to deliver this.

International credits remain relevant to EU mitigation policy in international aviation. The Commission has proposed, subject to quality criteria, that credits be available to airlines as the European Union and its Member States have volunteered to participate in the Carbon Offsetting and Reduction Scheme for International Aviation of the International Civil Aviation Organization.

The EU experience of the Clean Development Mechanism (CDM) was mixed. It incentivised action in developing countries and reduced the costs of meeting targets within the EU. It also made a significant contribution to structural surpluses in the EU Emissions Trading System, and concentrated incentives on a few projects in a few countries. It also consistently attracted criticism as to whether action undertaken was truly additional.

Under the Paris Agreement, a new Article 6.4 Mechanism replaced the CDM. It makes provision to avoid double counting, and allocations to projects are aligned with national targets, strategies and, ultimately, the goals of the Paris Agreement. Full implementation of these requirements can ensure that the mechanism may offer a real contribution to global efforts.