Voluntary Carbon Market Standards: Review Criteria

Review Criteria

New Voluntary Carbon Market (VCM) Standards under the ICROA Code may be proposed at any time. New Standards are accepted into the Code if they meet ICROA's Review Criteria, and the ICROA Executive Committee votes to accept the new Standard.

- ICROA developed the Review Criteria using the principles laid out in the ICROA Code of Best Practice.
- The key principles in the ICROA Code of Best Practice are that carbon credits validated and verified by permitted Standards must be: Real, Measurable, Permanent, Independently Verified, Additional and Unique.
- The Review Criteria are divided into essential and discretionary Criteria. A Standard must meet the essential Criteria to be included in the ICROA Code of Best Practice and should meet the discretionary Criteria.

Essential Criteria

1. The Standard was designed and is managed by an independent[1] organisation or group of organisations.
2. The Standard has a robust governance[2] process and is well managed[3]:
   a. The governance process is transparent.
   b. Independent decision makers manage the Standard.
   c. The Standard provides oversight to the validators'/verifiers' work, and ensures the work is impartially and rigorously conducted, appropriate to the requirements of the standard.
3. The Standard is linked to a publicly accessible registry, independent of the carbon credits provider, which tracks issued carbon credits to ensure uniqueness for each tonne.
4. The Standard requires that offsetting projects and carbon reduction claims are independently validated and verified. Validation and verification must be carried out by a suitably qualified, independent organisation.
5. The offsetting principles identified within the ICROA Code of Practice are met by carbon

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[1] Independent is defined as a non-conflicted organisation and evidence is required to demonstrate that the organisation/s are not conflicted for example, by dual roles in the carbon market.

[2] Governance defined by Chartered Institute for Public Finance and Accountability (CIPFA –UK) as:
- Openness: access to information, communication with stakeholders and appointments to posts
- Financial and performance management: annual reports and corporate planning
- External review: audit arrangements and regulation
- Due process: compliance with the law, standards of behaviour and conflicts of interest
- Redress: complaints mechanisms and independent review

[3] i.e. the Standard achieves its specified programme objectives through soundly managed day to day operations.

credits generated using the Standard. The carbon credits are:

- **a.** Independently Verified.
- **b.** Unique.
- **c.** Real.
- **d.** Measurable.
- **e.** Permanent.
- **f.** Additional.

6. Legal requirements regarding the avoidance of environmental and social impacts are fulfilled.

Discretionary Criteria

Provided the Standard is of sufficient quality (i.e. essential criteria in points 1-6 above are deemed to be met), the Standard is reviewed against the following discretionary criteria:

7. The 'do no harm' principle is fulfilled regarding environmental and social impacts[4].

8. Industry stakeholder views were solicited and considered during [5] the Standard's development.

9. Local stakeholder views were solicited and considered during the Standard's development.

10. The Standard is innovative and has or could reasonably be expected to develop relevant market share: ICROA gives preference to Standards that bring new and innovative qualities to the VCM and discourages those that are minor variants of existing Standards to prevent proliferation and market confusion. It is not the intent of ICROA to pick winners in the Standards space, and therefore Standards with significant global or regional market share may be selected[6]. Delays with the Standard's generation of carbon credits should be taken into consideration, when considering market share.

[4] In application, this principal implies no 'net' harm.
[5] Or a process such as ISEAL has been implemented.
[6] Market share will depend on the region.