

ICROA Offset Standard Review Criteria



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New offset standards under the ICROA Code may be proposed at any time by any ICROA member. New standards are accepted into the Code if they meet the Offset Standard Review Criteria, and the ICROA Executive Committee votes to accept the new standard.

- ▶ ICROA developed the Offset Standard 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 offsets¹ validated and verified by permitted offset standards must be: Real, Measurable, Permanent, Independently Verified, Additional and Unique.
- ▶ The Offset Standard 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 offset standard was designed and is managed by an independent² organisation or group of organisations.
2. The offset standard has a robust governance³ process and is well managed⁴:
 - 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 offset standard is linked to a publically accessible registry, independent of the offset provider, which tracks issued carbon credits to ensure uniqueness for each tonne.
4. The offset standard requires that offset projects and carbon reduction claims are independently validated and verified. Validation and verification must be carried out by a suitably qualified, independent organisation.

¹ Also referred to as carbon credits.

² 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.

³ 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

⁴ i.e. the standard achieves its specified programme objectives through soundly managed day to day operations.

5. The offset principles identified within the ICROA Code of Practice are met by carbon 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 offset standard is of sufficient quality (i.e. essential criteria in points 1-6 above are deemed to be met), the offset standard is reviewed against the following discretionary criteria:

7. The 'do no harm' principle is fulfilled regarding environmental and social impacts⁵.
8. Industry stakeholder views were solicited and considered during⁶ the offset standard's development.
9. Local stakeholder views were solicited and considered during the offset 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 voluntary carbon market, and discourages those that are minor variants of existing standards to prevent standard 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 selected⁷. Delays with the standard's generation of carbon credits should be taken into consideration, when considering market share.

⁵ In application, this principal implies no 'net' harm.
⁶ Or a process such as ISEAL has been implemented.
⁷ Market share will depend on the region.