

ICROA ACCREDITED

For the second year in a row running, Removall has been certified by ICROA as an accredited organization. This accreditation is a strong recognition of our daily efforts in applying best practices in all our carbon offsetting operations, following a deep thorough audit performed by an independent third party.

For those who do not yet know what ICROA is, how it works and what criteria it takes into account, this article aims to answer all those questions.

WHAT IS THE ICROA?

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“ICROA PROVIDES A FRAMEWORK FOR RESPONSIBLE CORPORATE CLIMATE ACTION THROUGH THE INTEGRITY IN THE USE OF CARBON CREDITS, THE QUALITY OF CARBON CREDIT SUPPLY, AND DELIVERING IMPACT TO RAISE AMBITION”.

ICROA (International Carbon Reduction and Offset Alliance) is a non-profit organization considered a leading voice in the voluntary carbon market. They provide best practices regarding high-quality carbon credits and guidance on emissions reductions and calculations. It was launched in 2008 by some of the historical actors of the market and is the Voluntary Carbon Market branch of IETA (which is itself an organization supported by the United Nation that aims to promote the development and the creation of Carbon Markets worldwide). Both organizations are based in Geneva, Switzerland.

Concretely, the actions of ICROA are divided into three main scopes:

- 1. The ICROA Accreditation Program:** Certifies that organizations offering carbon credits (such as Removall) respect the best practices on the market.
- 2. The Endorsement of VCM Standards:** Assesses the rigor of the Carbon Standards (like Gold Standard and Verra for example) and ensures that they operate with high integrity (established and independent governance, open access, robust validation, and verification process).
- 3. Being a Platform for Collaboration:** Thanks to open and interactive forums.

In the following sections of this article, we will take a closer look at the accreditation program and standards endorsement.



ICROA ACCREDITATION PROGRAM

To be accredited, Removall and other organizations applying to the ICROA Accreditation Program must pass an annual compliance audit performed by a third party.

As a prerequisite, any organization applying must:

- **be active** (by selling and retiring carbon credits) in the voluntary carbon market for at least a year,
- **be committed** to achieving large absolute emissions reductions across its client base and promote alignment with the Paris Agreement goals,
- **sell more** than 10,000 credits annually,
- and **have a turnover** of at least 100,000 USD.

To be accredited, Removall and other organizations applying to the ICROA Accreditation Program must pass an annual compliance audit performed by a third party. As a prerequisite, any organization applying must:

- That **corporates should measure and publicly report their organization's GHG emissions, including Scope 1, 2, and 3**, following a recognised standard that is relevant to the intended use (e.g. ISO 14064, Greenhouse Gas Protocol).
- That **corporates should strive to abate their GHG emissions** in line with climate science to deliver a **net-zero carbon reduction pathway** by 2050 or sooner. The roadmap should include interim short- and medium-term targets that ensure action now and along the way.
- That **progress towards these targets should be monitored and publicly reported** on an annual basis.

If these prerequisites are fulfilled, the organization can submit its application. The next step of the audit will consist in proving that the organization respects all the guidelines defined by ICROA in its Code of Best Practice.

ICROA BEST CODE OF PRACTICES

The ICROA Code of Best Practice aims at defining international best practices in carbon crediting and represents the minimum requirements that all ICROA accredited organizations must meet. It ensures that ICROA-accredited organizations and their customers implement carbon management strategies that result in ambitious and effective climate action.

The full code of best practice is available [here](#), but this section will summarize its main points.

The code is divided in 3 sections:

**SECTION 1:
Transacting and Retiring Carbon Credits**

**SECTION 2:
GHG Emissions and Removals Inventories (Footprinting)**

**SECTION 3:
GHG Emission Reductions Advisory Services**

Section 1 is mandatory for all organizations; sections 2 and 3 are only applicable to companies providing footprinting and Emissions Reductions advisory services. The following points are parts of the criteria defined by the code to be compliant with the section 1.



TRANSACTIONING ONLY CREDITS ISSUED BY THE ICROA-ENDORSED STANDARDS

As of May 2024, **16 standards or registries are endorsed by the ICROA**. The list contains quite a large range of standards, with the historical standards of the market (GS, VCS, CDM...), some national governments standards (UK, Australia...) and some new emerging or innovative standards (such as PURO, City Forests or the latest endorsed program RIVERSE).



Additionally, two standards are currently conditionally endorsed (meaning that endorsement is pending the achievement of set threshold values in order to validate the full operationalization of the standard):



ICROA-accredited organizations are only allowed to sell carbon credits coming from the above approved standards. (The process under which standards are endorsed will be detailed later in this article).

Non-Carbon accounting standard such as CCB, SD Vista or Women+ can be use only as non-carbon standards; meaning that they will be additional certifications that attest the co-benefits (on biodiversity, climate, or communities) but that the carbon activities of the project must be certifies by one of the endorsed standards listed above.

● **Promoting sustainable development in the projects that they develop and/or transact.**

Offsetting projects are not only about carbon: removing or reducing CO2 should not be the only aim of the projects. They also need to be accepted by local communities and, ideally, to provide co-benefits to biodiversity, the communities and/or the climate.

ICROA-accredited organization must assess the sustainability impacts of their projects and promote the co-benefits.

● **Being transparent regarding the availabilities and status of the projects**

A carbon credits is the result of a multi-phase process including the registration of a project, the validation and verification of thise project, and the issuance of the credits following a yearly audit.

When the credits are issued, they are called “spot credits”. When they are sold before the issuance, they are considered as “forward credits”.

It is not prohibited by the ICROA to sell forward credits, however, organizations must be really clear and transparent with the status of the credits; providing at least an expected date of issuance and some safeguards regarding potential delivery delay or failure (such as substitution clauses in case of non-issuance). Also, it is important to make a distinction between forward credits and ex-ante credits. As a reminder, a carbon credit could either be:

- **Ex-post credit:** issued after the emission reductions/sequestrations have already occurred. For instance, in 2024, a project will issue credits for the emission that happened in 2022 and 2023.
- **Ex-ante credit:** issued before the emission reductions/sequestrations happens. For instance, in 2024, a project will issue credits for the emission that will happen from 2024 to 2034.

The ICROA does not allow the trade of ex-ante credits, even if the standard is endorsed by ICROA. For instance, ex-ante Plan Vivo credits can't be sold by ICROA-certified organizations.

However, a forward credit is not an ex-ante credits: it's an ex-post credits sold before its issuance. And that makes a big difference. For instance, in May 2024, you can buy a credit that will be issued in December 2024. But to be able to retire the credit and to claim the emission reduction/sequestration linked to this credit, you will need to wait its issuance in December. Hence, the company will not be able to communicate about this offsetting as it is key that communication regarding offsetting is done only after that the credits are effectively retired from the registry.

● **Encourage their client to communicate effectively and precisely.**

Communication regarding offsetting can be done only after the retirement of the credits. But the communication does not only concern the offsetting part: it should also concern the emission calculation and the explanation regarding emissions reductions actions that have been put in place. Indeed, as a reminder, offsetting should only be used after that a company has calculated its emissions and reduced them as much as they could, ideally aligned with a 1.5-degree reduction pathway based on science.

Organizations shall **encourage clients to communicate their carbon inventory and GHG emission reductions activities**, including but not necessarily limited to, the following:

- **The total Greenhouses gases (GHG) associated with the organization**, the product, services or event concerned by the offset.
- **Listing the actions that were put in place** to reduce those GHG emissions.
- **The details of the projects used to compensate those emissions**, the volumes used on each of them and a link to the registry where the credits have been retired.
- **Any uncertainties or risks** associated with the carbon footprint or emissions reductions actions **should also be explained clearly**.

Additionally, it is important for every company to be as accurate as possible in their communication and to avoid confusing communication such as abusive “carbon neutrality” claims that could be considered as greenwashing and that are in some countries regulated by law.

Now that we have analyzed what is required to be accredited by the ICROA, let's look at standard endorsement part of the ICROA's activities.

WHAT DOES IT MEAN FOR A STANDARD TO BE ICROA ENDORSED?

As a reminder, ICROA accredited organizations can only sell credits coming from endorsed standards. There are currently (as of May 2024) **16 standards endorsed and 2 conditionally endorsed** (as listed in page 5).

In order to be endorsed by the ICROA, the applying standards must follow an in-depth procedure aiming to certify the quality of the credits issued on those standards. As for the accreditation of the organization, the verification process requires a third-party audit that proves the compliance with ICROA requirements. However, the assessment process is not renewed annually but every three years.

The application form that is filled out by the standard will eventually be available publicly on the ICROA website.

Eight criteria are reviewed during the audit:

INDEPENDANCE

The standard must operate and be managed independently from projects on its registry. Processes to identify and mitigate conflicts of interest need to be in place and the standard needs to ensure independence from project development processes.

Finally, **it is mandatory that revenue is not exposed to pricing in the market:** the standard is allowed to act as marketplace where credits may be transacted but it cannot take any active participation in the transaction of the carbon credits, nor set the price of carbon credits. It is also important to note that the standard revenue must not be correlated to the sales price (*for instance, they cannot ask to receive X% of revenue of each transaction*).

All those elements are put in place in order to avoid putting the standard in a position of conflict of interest where it would have some financial incentive to take decision based on its own interests rather than based on the research of the quality of the credits issued.

GOVERNANCE

The standard must have effective governance procedures in place and be able to provide evidence that these processes are followed (publicly available organization charts, compliance with all laws and regulations, decisions made transparently...).

Similarly, it must operate transparently with publicly available information and publishing at the very least the way their operational procedures work (standard's rules, the way committee are formed...), how do they develop and approve methodologies. A grievance and redress mechanism must also be accessible to all stakeholders.

REGISTRY

The standard must be linked to a registry to track the issuance, cancellation, and retirement of carbon credits. Each credit needs to be associated with a unique serial number.

This registry has to be public and available internationally. All the key information regarding the projects listed (Project Design Description monitoring reports...) must be available publicly and in English. All account holders in the registry undertake “know your customers” checks.

VALIDATION/VERIFICATION

All carbon credits issued by the standard must undergo independent third-party validation and verification by a qualified organization. **The standard must have oversight of validation and verification bodies (VVBs).**

CARBON CREDITING PRINCIPLES

The endorsement by ICROA aims to prove that each credit issued by these standards is:

- **Unique:** one credit corresponds to one tonne of CO₂e reduced or removed and one tonne of CO₂e reduced/removed only generates one carbon credit.
- **Real:** credits must represent real emission reductions/removals (Carbon credits are measured, monitored, and verified ex-post).
- **Permanent:** emission reductions/sequestrations are not provisional, they will never be released or emitted. If the project has a risk of reversal, the standard must have requirements for a multi-decadal term/commitment by the project developer and for a complete risk mitigation plan. It also has to put in place mitigation mechanisms (such as a buffer pool) to ensure that any carbon credits lost to reversals will be replaced.
- **Additional:** Emission reductions and removals go beyond what would have occurred if the project had not been carried out. In other words, the emission reductions/sequestrations could not have been generated without the carbon finance. This check will be based on requirements such as legal/regulatory check, barrier analysis, market penetration analysis, financial analysis, performance benchmarks...
- **Measurable:** Carbon credits represent emission reductions and removals that are measurable and backed by data, hence it needs to be based on robust science-based methodologies.

ENVIRONMENTAL/SOCIAL IMPACT

All projects developed under the Standard must identify and mitigate any negative environmental and social impacts. At the very least, each project must fulfill the “no net harm” principle and mitigate any potential environmental or social impact.

STAKEHOLDER CONSIDERATIONS

During the standard's development and ongoing operations, stakeholders' views must be considered. **All documents or methodologies must follow a public consultation** and all comments received need to be transparently and publicly addressed.

SCALE

To be fully endorsed, a standard must have at least 10 projects registered, and 100 000 carbon credits issued. If that's not the case but that all the other criteria are fulfilled, the standard can only be conditionally endorsed (as it is currently the case with Social Carbon and Isometric).

CONCLUSION

ICROA is a robust international organization that has become one of the key actors of the Voluntary Carbon Market. **The ICROA framework brings clarity and quality guidelines within the market.**

From Removall's point of view, every carbon offset buyer should work towards collaborating only with carbon offset providers that are ICROA accredited, to ensure they buy from providers with best-in-class procurement procedures.

It is important to note that, ICROA process is endorsing organization and standards, but it does not analyze each project individually. It means that additional due diligence still needs to be conducted on every project.

In addition, a large number of new participants have emerged in the voluntary carbon market to bring greater transparency and attest to the quality of projects.

These include the ICVCM and VCMI initiatives, the creation of rating agencies (such as Renoster, BeZero, Sylvera or Calyx), industry certifications such as CORSIA for the airlines, and new standards that have been created and are in the process of being approved by ICROA.

It's good to see these new initiatives on the market: they address the needs of customers who are more quality-oriented than ever.

In order to be supported in their carbon offset/contribution strategies, we can only recommend carbon credits buyers to be helped by experts respecting the ICROA Code of best practices to realize their offsetting purchases. **We firmly believe it is key to work with an organization specialized in the Voluntary carbon market and that this organization must be ICROA accredited.**

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