SUMMARY FOR DECISION MAKERS

A. GOVERNANCE
   1. Effective governance
   2. Tracking
   3. Transparency
   4. Robust independent third-party validation and verification

B. EMISSIONS IMPACT
   5. Additionality (Category-level – release 2, Q2 2023)
   6. Permanence (Category-level – release 2, Q2 2023)
   7. Robust quantification (Program-level)
   8. No double counting

C. SUSTAINABLE DEVELOPMENT
   9. Sustainable development benefits and safeguards
   10. Contribution towards net zero emissions
       (Category-level – release 2, Q2 2023)

D. CCP ATTRIBUTES

E. CONTINUOUS IMPROVEMENT OF THE ASSESSMENT FRAMEWORK
   Paris Alignment
   Sustainable development benefits and safeguards
In this March 2023 release, the ICVCM is publishing the program-level requirements. This Summary for Decision Makers contains information relating to the requirements on how carbon-crediting programs are governed, how they ensure robust quantification of GHG emission reductions and removals, how they avoid double counting and how they manage sustainable development benefits and safeguards.
Introduction

This Summary for Decision Makers (SDM) presents an overview of the Integrity Council’s CCPs and their implementation through the Assessment Framework. The SDM is intended to provide Decision Makers and stakeholders with a comprehensive understanding of the approach adopted by the ICVCM. It should be read in conjunction with the CCPs, the Assessment Framework, Definitions and the Assessment Procedure.

The ICVCM seeks to help the VCM scale up by enabling participants in the market to more easily identify high-quality carbon credits. The VCM currently comprises several carbon-crediting programs (also known as carbon standards) that recognise activities and their mitigation impacts. Those mitigation activities are developed and operated by mitigation activity proponents and their design is validated by accredited third parties (validation and verification bodies (VVBs)). Greenhouse gas emission reductions or removals achieved by those mitigation activities are then verified by VVBs and issued by carbon-crediting programs in their registries as carbon credits. These credits may then be acquired and used by entities to help manage their environmental commitments.

All carbon-crediting programs have adopted requirements, procedures, and policies to address administrative and operational considerations for developing and implementing their programs known as normative program documents. However, carbon credits issued by these programs differ in quality. The aim of the Integrity Council’s CCPs and Assessment Framework is to help VCM participants identify the high-quality carbon credits and to evolve a threshold for quality and integrity across the VCM that will build confidence and comparability.
Two levels of assessment

The Assessment Framework operates at two different levels:

**Program:** The ICVCM Assessment Framework establishes eligibility requirements at the program-level through the application of specific criteria and requirements for carbon-crediting programs. Carbon-crediting programs will apply to be assessed on whether they meet the requirements, and successful programs will become CCP-Eligible.

**Categories of carbon credits:** The ICVCM also establishes criteria and requirements for categories of carbon credits ("Categories"). Individual Categories will be assessed, and those meeting the associated requirements will become CCP-Approved. Carbon credits belonging to CCP-Approved Categories may then be ‘tagged’ by CCP-Eligible programs accordingly. CCP-Approved Categories may also be tagged with supplemental identifying criteria, known as CCP Attributes, which identify additional high-quality aspects of the carbon credits that may be of interest to market participants.

The process by which carbon-crediting programs and Categories are assessed is contained in the Assessment Procedure.
Governance includes four of the CCPs: Effective Governance, Tracking, Transparency, and Robust Independent Third-party Validation and Verification. Taken together, these CCPs identify strong governance provisions at the program-level. These provisions are critical to ensuring the overall quality of carbon credits issued by the carbon-crediting programs and maintaining and strengthening an environment of trust that supports the long-term integrity and growth of the VCM.

**Effective governance** is important for integrity because it significantly improves transparency and accountability, and can help to grow participation in the VCM. It may also increase the responsiveness and engagement of the public and key stakeholders by providing increased relevance, reliability, and comparability of reporting and improved insight into program performance.

**Tracking** is accomplished through the use of registries. A registry is a secure central database for recording comprehensive information about carbon credits that the program issues, including the mitigation activity in which they were generated, their ownership, and their transaction history. A registry uniquely identifies each carbon credit, the associated mitigation activity, and any other associated attributes. Registry account controls ensure that there is comprehensive information about mitigation activity proponents and VCM participants.

**Transparency** is achieved through the public availability of information. Availability of information enables stakeholders to understand how the GHG emission reductions or removals are calculated, including how additionality is assessed, GHG emissions reductions or removals are quantified, and the environmental and social impacts of the mitigation activity.

**Robust independent third-party validation and verification** through third-party auditing is a key tool for accuracy, consistency, transparency, and integrity in the VCM. Auditing by third parties provides independent confirmation that the mitigation activity achieves GHG emission reductions or removals. Requirements include rules that specify when and how validation of the design of a mitigation activity and verification of GHG emission reductions and removals by third-party auditors, plus verification of other aspects, are to occur and be implemented. The work of VVBs is essential to the environmental integrity of carbon crediting and to ensuring confidence in the VCM.
The Program-level processes listed above are all important for ensuring effective governance. Many of those have also been addressed in the requirements by the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), developed and adopted by the International Civil Aviation Organisation (ICAO). In order to minimise the burden on the carbon-crediting programs operating in the VCM, the ICVCM has determined that programs already eligible under CORSIA shall also be eligible under this version of the Assessment Framework provided that they meet the following requirements.

Carbon-crediting programs will be required to meet all requirements in the Assessment Framework. Carbon-crediting programs that are CORSIA-eligible will not be required to demonstrate that they meet CORSIA requirements related to effective governance, tracking, transparency and robust validation and verification. CORSIA-eligible programs will have to provide relevant information for the additional requirements detailed in the Assessment Framework and included in the ICVCM Application Platform.

Carbon-crediting programs that have not yet applied for CORSIA eligibility will be required to demonstrate to the Integrity Council that they meet all the requirements of CORSIA, through their application to the ICVCM, as set out in the ICVCM Application Platform. They will also have to demonstrate that they meet the additional requirements detailed in the Assessment Framework and included in the ICVCM Application Platform.

Changes in CORSIA requirements, and/or changes in relation to the carbon-crediting programs and carbon credits listed as eligible in the CORSIA Eligible Emission Units will be addressed, to the extent required, at the discretion of the ICVCM, through the Assessment Procedure.
1 Effective Governance

Effective governance is a core feature of well-operated carbon-crediting programs. Effective governance requirements on public availability of documents and information enables transparent decision-making, effective and inclusive participation, and feedback to support continuous improvement.

In addition to meeting governance requirements set out in CORSIA, the carbon-crediting program will need to meet requirements that demonstrate effective governance through a transparent and robust corporate governance framework for their organisations, including reporting and disclosure, and risk management policies and controls such as anti-bribery and anti-corruption. The Integrity Council’s requirements on effective governance ensure processes are in place that support an organisation’s long-term resilience and provide a framework of checks and balances to guide the organisation’s governing body and staff.

The criteria under this CCP requires carbon-crediting programs to have an independent board, publish annual reports and have robust processes relating to corporate social and environmental responsibility, and effective anti-money laundering rules.

Effective governance requires that normative program documents relevant to decision-making are publicly available, subject to compelling confidentiality constraints, including data protection and privacy. Normative program documents include standards, methodologies, procedures, tools, guidelines, supplementary information, and project documentation.

Carbon-crediting programs must also have processes in place that provide for public engagement through local and global stakeholder consultation and for independently addressing grievances.

In the Assessment Framework, ICVM makes use of CORSIA rules in relation to effective governance and has additional requirements that ensure CCP-Eligible programs have comprehensively effective governance.

See Criteria 1.1 to 1.2 for Effective Governance in Part I of the Assessment Framework.
2 Tracking

A registry is an information technology system used by a carbon-crediting program to identify mitigation activities and track each carbon credit from its issuance through subsequent transactions to its retirement or cancellation. Registries, therefore, play a critical role in ensuring high integrity by providing a transparent and secure platform to track and verify carbon credits. The criterion and requirements ensure that a carbon-crediting program has processes and procedures in place to provide clarity with respect to the issuance and retirement of carbon credits. Specifically, the carbon-crediting program’s registry should identify by whom and on whose behalf a carbon credit was retired, identify the purpose of retirement, have procedures to address erroneous issuance of carbon credits and procedures and requirements to ensure no more than one carbon credit is issued per tonne of CO₂ equivalent.

In the Assessment Framework, the ICVCM combines CORSIA rules in relation to registries with additional requirements that help ensure that CCP-Eligible carbon-crediting programs operate registries of the highest standards.

See Criterion 2.1 for Tracking in Part I of the Assessment Framework.

The carbon-crediting program shall operate or make use of a registry to uniquely identify, record and track mitigation activities and carbon credits issued to ensure credits can be identified securely and unambiguously.
3 Transparency

The design and implementation of a mitigation activity is an intensive process requiring significant qualitative and quantitative documentation. Making this information publicly available through a registry is key to promoting transparency. The Assessment Framework’s criterion on Transparency requires public disclosure of all relevant project documentation. To meet the requirements under this criterion, the carbon-crediting program needs to ensure the registry contains detailed information about each mitigation activity and is searchable by the general public. By making this information publicly available interested stakeholders will be able to understand how the GHG emission reductions or removals are calculated, including how additionality is assessed, GHG emissions reductions or removals are quantified, and the environmental and social impacts of the mitigation activity.

Information about the activity should be publicly available electronically, subject to compelling confidentiality constraints. It is also important that information requests from stakeholders are appropriately addressed, and that stakeholders are provided with and directed to that information on the program’s website, including on information from its website.

In the Assessment Framework, the ICVCM combines CORSIA rules concerning transparency with additional requirements that ensure CCP-Eligible programs operate with full transparency about mitigation activities.

See Criterion 3.1 for Transparency in Part I of the Assessment Framework.
4 Robust Independent Third-party Validation and Verification

Third-party auditing of the design of mitigation activities and monitoring of GHG emission reductions or removals is critical to ensuring that each mitigation activity meets all of the relevant program rules specified in the normative program documents.

To meet the criterion and requirements under Robust Independent Third-party Validation and Verification, the carbon-crediting program’s normative documents must set out the rules for how VVBs become and remain accredited in relation to the carbon-crediting program, review the performance of VVBs, and set standards and develop procedures that guide VVBs in their work. These rules include provisions on VVB organisational structure and management, organisational resources, validation and verification processes, and information requirements, penalties for rule breaches and rules ensuring the impartiality of the VVB and the avoidance of conflicts of interest.

In the Assessment Framework, the ICVCM combines CORSIA rules on third-party validation and verification with additional requirements that ensure CCP-Eligible programs are applying validation and verification best practices.

See Criterion 4.1 for Robust Validation and Verification in Part I of the Assessment Framework.
5 Additionality (Category-level – Release 2, Q2 2023)

The GHG emission reductions or removals from the mitigation activity shall be additional, i.e., they would not have occurred in the absence of the incentive created by carbon credit revenues.

6 Permanence (Category-level – Release 2, Q2 2023)

The GHG emission reductions or removals from the mitigation activity shall be permanent or, where there is a risk of reversal, there shall be measures in place to address those risks and compensate reversals.
7 Robust Quantification (Program-level)

A crucial consideration in strengthening the integrity of the VCM is ensuring that GHG emission reductions or removals are robustly quantified so that their levels are not overstated. Carbon-crediting programs must, *inter alia*, address the level of uncertainty of emission reductions or removals and ensure the conservativeness of quantification methodologies. It is critical for carbon-crediting programs to understand the level of uncertainty associated with the data and the assumptions used for quantifying GHG emission reductions or removals to ensure they are estimated conservatively.

Ensuring robust quantification requires that carbon-crediting programs have a thorough methodology approval process that includes public stakeholder consultations and reviews by independent experts. Moreover, carbon-crediting programs must have robust requirements and principles governing the quantification of GHG emission reductions and removals. In addition, robust quantification requires that carbon-crediting programs ensure that GHG emission reductions or removals are verified *ex-post*. Some carbon-crediting programs also issue carbon credits *ex-ante*. In such instances, only carbon credits issued *ex-post* may be CCP-Eligible.

In addition to the requirements established in the Assessment Framework, the ICVCM refers to CORSIA rules on Clear Methodologies and Protocols, and their Development Process.

This section will be updated once requirements for Robust Quantification at the Category-level are released (Q2 2023).

*See Criteria 5.1 to 5.3 for Robust Quantification in Part I of the Assessment Framework.*
8 No Double Counting

Double counting of carbon credits and/or GHG emission reductions or removals undermines the integrity of the VCM on reducing or removing GHG emissions. Double counting can manifest in a number of ways and the ICVCM requirements ensure that the carbon-crediting programs manage the risks of double counting.

**Double issuance:** This occurs when two or more carbon credits co-exist at the same time for one GHG emission reduction or removal, under the same or different carbon-crediting or other programs. Double issuance can also occur where two or more mitigation activities have overlapping GHG accounting boundaries, and carbon-crediting programs need to have provisions avoiding issuance of more than one credit in relation to the same GHG emission reduction or removal in such cases.

**Double use:** This occurs when one carbon credit is claimed towards multiple mitigation targets/goals (e.g., once each by two different entities or twice by one entity).

**Double claiming with mandatory domestic mitigation schemes:** This occurs when a carbon-crediting program issues a carbon credit in respect of GHG emission reductions or removals that are covered by a mandatory domestic mitigation scheme (e.g., emissions trading system). In the context of the ICVCM, it is considered that a Nationally Determined Contribution (NDC) under the Paris Agreement does not constitute a mandatory domestic mitigation scheme. While a NDC may be put into effect through a variety of instruments, including mandatory domestic mitigation schemes, it is considered to be separate from the latter.

The Integrity Council has established a CCP Attribute in relation to host country authorization for use towards ‘other international mitigation purposes’ pursuant to Article 6 of the Paris Agreement (See section D below). The question of how to manage double counting in all its forms in the context of Article 6, and whether double claiming with NDCs should be avoided on the basis of a corresponding adjustment as set out in Article 6 implementing guidance, will be addressed in the ICVCM work program, described in section E below.

**Double claiming with mitigation incentivisation schemes:** This occurs when a carbon-crediting program issues a carbon credit for a GHG emission reduction or removal for which another environmental credit is being issued and traded under a different environmental market (such as Renewable Energy Certificates).

*See Criteria 6.1 to 6.5 for No Double Counting in Part I of the Assessment Framework.*
C Sustainable Development

9 Sustainable Development Benefits and Safeguards

In a high-integrity VCM, carbon-crediting programs take steps to ensure that mitigation activities adhere to environmental and social safeguards and contribute to the Sustainable Development Goals (SDGs). Carbon-crediting programs have measures in place to ensure that in the context of the host country, mitigation activity proponents inform how SDG impacts are consistent with SDG objectives of the country, respect human rights and comply with relevant safeguards. Program-level processes ensure that mitigation activity proponents assess environmental and social risks associated with proposed mitigation activities, taking into account the size and scale of the relevant mitigation activity.

Where the context requires, mitigation activities are required to ensure free, prior and informed consent (FPIC) processes with Indigenous Peoples and Local Communities (IPs & LCs), protect and improve livelihoods, protect and restore biodiversity and ecosystem services, enhance climate resilience and adaptation, reduce pollution, and be transparent about the sharing of benefits from the mitigation activity with IPs and LCs.

Carbon-crediting programs must also ensure compliance with relevant national requirements, applicable laws and rules of the relevant jurisdiction. In that context, the Assessment Framework builds on the work of widely applied best-in-class standards including World Bank, International Finance Corporation, United Nations Development Programme, United Nations Declaration on the Rights of Indigenous Peoples, United Nations Environment Programme, the Cancun Safeguards, and the International Labour Organization Fundamental Conventions, among others.

See Criteria 7.1 to 7.11 for Sustainable Development Benefits and Safeguards in Part I of the Assessment Framework.
The mitigation activity shall avoid locking-in levels of emissions, technologies or carbon-intensive practices that are incompatible with the objective of achieving net zero GHG emissions by mid-century.
Attributes can be used to identify additional features related to the mitigation activity for which the carbon credit has been issued. Such identification enables mitigation activity proponents to showcase the features of the mitigation activity and allows buyers to purchase carbon credits that match their preferences. To facilitate the identification of these additional features the ICVCM has included CCP Attributes in this Assessment Framework.

Carbon credits that are CCP-Eligible as a result of the assessment process may then, in accordance with the Assessment Procedure, additionally be tagged with relevant CCP Attributes. A carbon credit may have more than one CCP Attribute, but each must be distinguished from other CCP Attributes that may be allocated to the carbon credit.

Attribute 1 is about “Host country authorization pursuant to Article 6 of the Paris Agreement”. This attribute refers to whether the host country has authorised the carbon credit (“mitigation outcomes”, the GHG emission reductions or removals represented by the carbon credit) for “other international mitigation purposes” under guidance adopted pursuant to Article 6 (specifically cooperative approaches referred to in Article 6, paragraph 2) of the Paris Agreement. Some buyers are keen to purchase carbon credits in respect of which there is a host country authorization for Article 6 purposes. This attribute facilitates identifying such carbon credits.

Attribute 2 “Share of Proceeds for Adaptation” refers to whether the mitigation activity makes a voluntary contribution to the Adaptation Fund of the UNFCCC.

Attribute 3 is “Quantified positive SDG impacts”. This attribute refers to whether the mitigation activity quantifies a positive contribution to Sustainable Development (excluding SDG 13). It differs from requirements in Section 4.C.7 of the Assessment Framework (criteria related to Sustainable Development Benefits and Safeguards) because the attribute relates to quantification of impacts. This will facilitate the identification of carbon credits with quantified positive impacts of this type. Such quantified positive SDG impacts must align with the sustainable development priorities of the host country, where those are relevant to the mitigation activity.

Other attributes may be developed at the discretion of the ICVCM.

1 This issue is also connected to section 4.B.6 Assessment Framework (criteria related to No Double counting) and the work program to be undertaken by the ICVCM described in section E below.

2 The ICVCM will undertake a work program on related matters (see section E below).
E Continuous Improvement of the Assessment Framework

In line with best practices in standard setting, the Integrity Council has designed a process for continuous improvement of the CCPs and the Assessment Framework. The process ensures the continued relevance and effectiveness in meeting the stated objectives of the Integrity Council.

Work on developing the next iteration of the Assessment Framework begins after the release of this version. It will include input by multi-stakeholder work programs detailed in the sections below. It will include consultation processes (public and via workshops with stakeholder groups such as carbon-crediting programs, project developers, academics, IPs & LCs, etc.) and analysis necessary to inform its development.

The first revision process for the CCPs and the Assessment Framework is expected to be launched in 2025, and ready for implementation in 2026.

Paris Alignment

Corresponding Adjustments pursuant to guidance on Article 6, paragraph 2 of the Paris Agreement

It is broadly understood that double counting must not occur where carbon credits are transferred internationally for use towards NDCs under the Paris Agreement. This understanding is also reflected in Article 6 guidance agreed at the UNFCCC COP26 in 2021. There is, however, an active debate in the VCM about how to manage double counting in all its forms in the context of Article 6, and whether double claiming with NDCs should be avoided on the basis of a corresponding adjustment as set out in Article 6 implementing guidance, in the context of companies using carbon credits towards voluntary climate commitments. The ICVCM considers that this issue remains open after UNFCCC COP27 and needs further study.
As countries move to implement systems to deliver on their Paris Agreement commitments the VCM and host country systems will increasingly interact. The ICVCM and VCMI will co-lead a joint work program to consider:

- Identification and assessment of scenarios related to corresponding adjustments.
- Impacts of corresponding adjustments and implications for carbon credit integrity.

**Share of Proceeds for Adaptation Finance**

In addition to the CCP Attribute for a Share of Proceeds for Adaptation Finance (SOPA), the Integrity Council will establish a work program to consider:

- Whether SOPA should be mandatory or voluntary.
- Potential exemptions based on mitigation activity type or size based on the mitigation and adaptation impacts, and on benefits and revenues to communities participating in GHG mitigation activities/programs in developing countries.
- The readiness of buyers of carbon credits to make such a contribution.
- The merits of voluntary compared to mandatory approaches.
- The appropriate destination of any carbon credits/revenue.
- The impact on market participants and the incentives created.

**Sustainable Development Benefits and Safeguards**

In addition to the requirements under Section 4.C.7 Sustainable Development Benefits and Safeguards and the CCP Attribute for quantified positive SDG impacts, the Integrity Council recognises that approaches to environmental and social safeguards are currently evolving and that this is a clear area for improvement in the VCM. The ICVCM will consult with relevant stakeholders to understand how current practice can be improved in order to develop new requirements for the next iteration of the Assessment Framework. The work program will include all elements listed in table 7.12 of the Assessment Framework.

---

3 See Section D, CCP Attribute 2: Share of Proceeds for Adaptation
4 See Section D, CCP Attribute 3: Quantified positive SDG impact