



THE INTEGRITY COUNCIL
FOR THE VOLUNTARY CARBON MARKET

Annual Review 2023-24

(covering period 1 April 2023 - 31 March 2024)



Contents

Chair’s introduction	4
Our Vision and Mission	8
What we do	10
Building integrity in the voluntary carbon market	12
Stakeholder engagement	18
Developing high integrity through CIWPs	24
2023-24 highlights	26
Milestones	30
Thank you	32



Annette L. Nazareth
Chair, Governing Board

Chair's introduction

As we reflect on the past year, it is gratifying to see how much we have achieved in our work at the Integrity Council for the Voluntary Carbon Market. I am enormously grateful for the hard work of the Governing Board, the valued, independent voice of the Expert Panel, the support of our Distinguished Advisors, and the incredible dedication of the Executive Secretariat to deliver on our collective goals.

We present here our achievements, challenges, and some of the strategies we have been working on to succeed in our goal: to help deliver an efficient, high integrity carbon market that can fulfil its potential to unlock finance at speed and scale for climate solutions. This will bring finance that would not otherwise be deployed to projects that would not occur without it.

The need to scale investment in solutions to climate change has never been more urgent. In 2023, the IPCC reported that “global warming of 1.5°C and 2°C will be exceeded during this century unless there are immediate, rapid, and large-scale reductions in greenhouse gas emissions.”

To achieve these reductions, we need more finance channelled to projects and communities that will help mitigate the impacts of climate change we are seeing unfold. This finance is needed alongside increased investment in rapid decarbonisation within companies' own value chains. However, we collectively

face the challenge that the full decarbonisation of entire supply chains cannot be implemented at the speed and scale that science tells us is required. Investments in high-integrity carbon credits are needed alongside rapid emission reductions, to enable companies to take greater responsibility for the emissions they cannot yet cut.

The year 2023 was marked by significant global political instability, military conflicts, geopolitical tensions, rising inflation and economic instability affecting multiple regions and putting pressure on the public purse. Such economic uncertainties and policy shifts make the role of the carbon markets in increasing climate finance more critical than ever. The voluntary carbon market is the only tool that can mobilise the private capital that is necessary to drive significant emission reductions and support sustainable development worldwide.

The voluntary carbon market faced considerable scrutiny in 2023, and confidence in carbon credit investment suffered severely. Our goal in providing a global high-quality standard is to deliver a strong framework to ensure carbon credits stand up to such scrutiny. In this way we can restore trust in the carbon markets and deliver much needed finance to climate solutions, many of which are located in the Global South.

For the Integrity Council, 2023-24 was an incredibly productive year. In March 2023, we launched our science-based Core Carbon Principles (CCPs), which established the first

“ Our goal in providing a global quality standard is to deliver a framework to ensure carbon credits stand up to such scrutiny, thereby restoring trust and delivering more finance to climate solutions, many of which are located in the Global South.



independent global standard for high-integrity carbon credits. These principles were developed through engagement with a diverse range of stakeholders, including Indigenous Peoples and local communities, policymakers, environmental organisations, industry leaders, and scientists. This broad-based engagement is central to our approach and critical to building a voluntary carbon market that is transparent, trustworthy, and capable of driving substantial climate action.

In July 2023, we launched the full CCP Assessment Framework which sets the rules for how we assess carbon-crediting programs and methodologies. The CCP label will make it easier for buyers to identify high-integrity carbon credits and unlock investment in impactful climate solutions. As we moved into 2024, we made significant progress in assessing whether carbon-crediting programs and methodologies meet our rigorous standards.

Starting in March 2024, the Integrity Council Governing Board approved the first carbon-crediting programs to meet our high-integrity criteria: at the time of publication, ACR, Climate Action Reserve (CAR), Gold Standard, ART and Verified Carbon Standard (VCS, operated by Verra) are CCP-Eligible.

The work of assessing methodologies also kicked off, paving the way for the first methodology approvals. Our process requires both programs and methodologies to meet our criteria before any CCP-labelled credits can enter the market. Assessment work completed in 2023-24 enabled us to achieve our important first milestones.

A cornerstone of our mission is our commitment to working with Indigenous Peoples and local

communities. We recognise their vital role in managing and protecting ecosystems worldwide. Our dedicated Indigenous Peoples and Local Communities Taskforce has been working throughout 2023-24 to establish an Indigenous Peoples and Local Communities Voluntary Carbon Market Engagement Forum, hosting its first meeting in July 2024.

This Forum aims to provide a space for closer coordination and targeted capacity building to strengthen the role of Indigenous People as decision makers, beneficiaries and shareholders in a high-integrity voluntary carbon market.

At COP28, it was clear that more and more governments, regulators, NGOs, and market participants around the world recognise that high-integrity carbon markets offer a huge opportunity to unlock private finance for climate action and channel investment to the Global South. This Annual Review outlines the high-level endorsements of our work that we received from governments, regulators and others in 2023-24. We recognise the dynamic nature of the market and the need to adapt and refine our standards to reflect the latest scientific information and inclusive stakeholder feedback. To this end, we started work on 10 Continuous Improvement Work Programs (CIWPs) to study and address complex areas within the carbon market. These work programs will focus on enhancing methodologies, integrating new scientific insights, and how to further strengthen environmental and social safeguards. By continuously evolving standards for the carbon markets, we aim to ensure that the voluntary carbon market is a credible and effective tool in the global fight against climate change, and that the Integrity Council stays ahead of the curve ensuring standards continue to align with best practice.

Building on our work in 2023-24, the Integrity Council's work focuses on:

- Continued assessment and oversight of carbon-crediting programs and methodologies
- Engaging with governments, regulators and market participants
- Working with Indigenous Peoples and local communities
- Delivering our Continuous Improvement Work Programs

As we look back on the past financial year, we extend our heartfelt gratitude to our Governing Board, Expert Panel, Distinguished Advisory Group along with all our partners and supporters. Your unwavering dedication and collaboration are vital to our success. Together, we can build a market that not only meets but exceeds the highest standards of integrity and transparency, driving meaningful climate action worldwide.

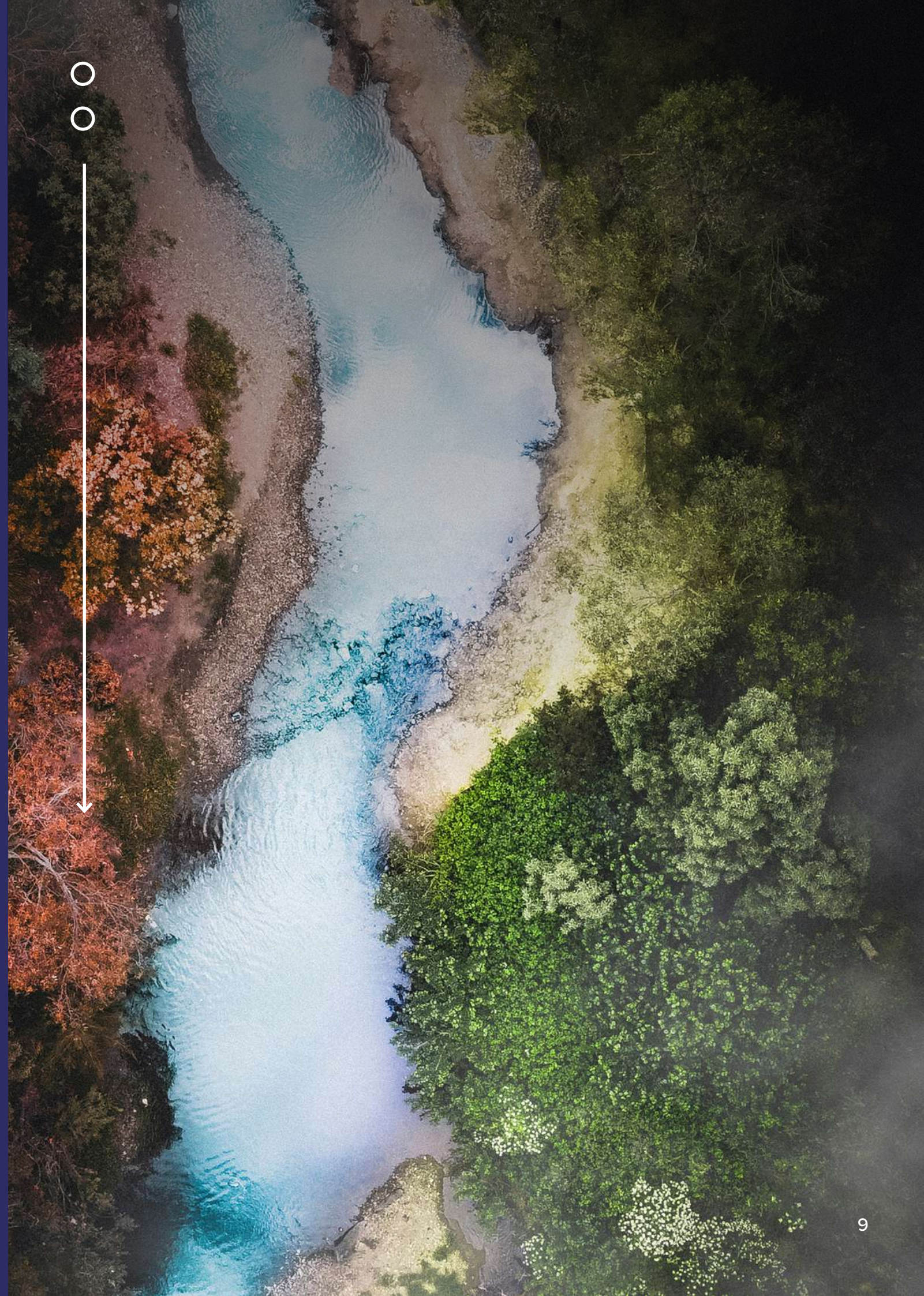
Annette L. Nazareth
Chair, Governing Board

Our Vision and Mission

Build integrity and scale will follow.

We set a definitive independent global threshold for the voluntary carbon market so that high-quality carbon credits can unlock private finance efficiently, to reduce and remove emissions.

This will channel urgently needed climate finance to climate solutions that are good for people and planet.



What we do

Over the past year, we have made significant progress in our work on assessments and stakeholder engagement, and our first Continuous Improvement Work Programs were established.

We have been pleased to see the market recognise and respond to our work – from carbon-crediting programs updating their procedures to meet our requirements, to receiving endorsements from governments and regulators.

1

Assessment

By the end of March 2024, we had assessed all the major carbon-crediting programs and begun assessing key methodologies for adherence to our Core Carbon Principles (CCPs).

Our work in action:

- Assessed and approved the first carbon-crediting programs that meet the CCP criteria
- Started assessing 100+ carbon-crediting methodologies covering more than 50% of credits in the market
- Began preparing for our oversight role to maintain the integrity of the CCP-labelled market

2

Stakeholder Engagement

We are engaging with all interested stakeholders in the market, including market practitioners, governments and regulators, along with Indigenous Peoples and local communities and environmental organisations.

Meaningful engagement across the whole market is critical to ensure a shared understanding of the work we do, to promote effective uptake of the high-integrity CCPs and build a fair and transparent market where all voices are heard.

Our work in action:

- Engaging with market practitioners through our Market Consultation Group, keeping them informed of developments and gaining their feedback
- Working with governments and regulators to support uptake of the CCPs in regulation and policy
- Preparing to host a self-directed Indigenous Peoples engagement forum, to strengthen the voices of Indigenous Peoples and local communities as both beneficiaries and shareholders in the VCM

3

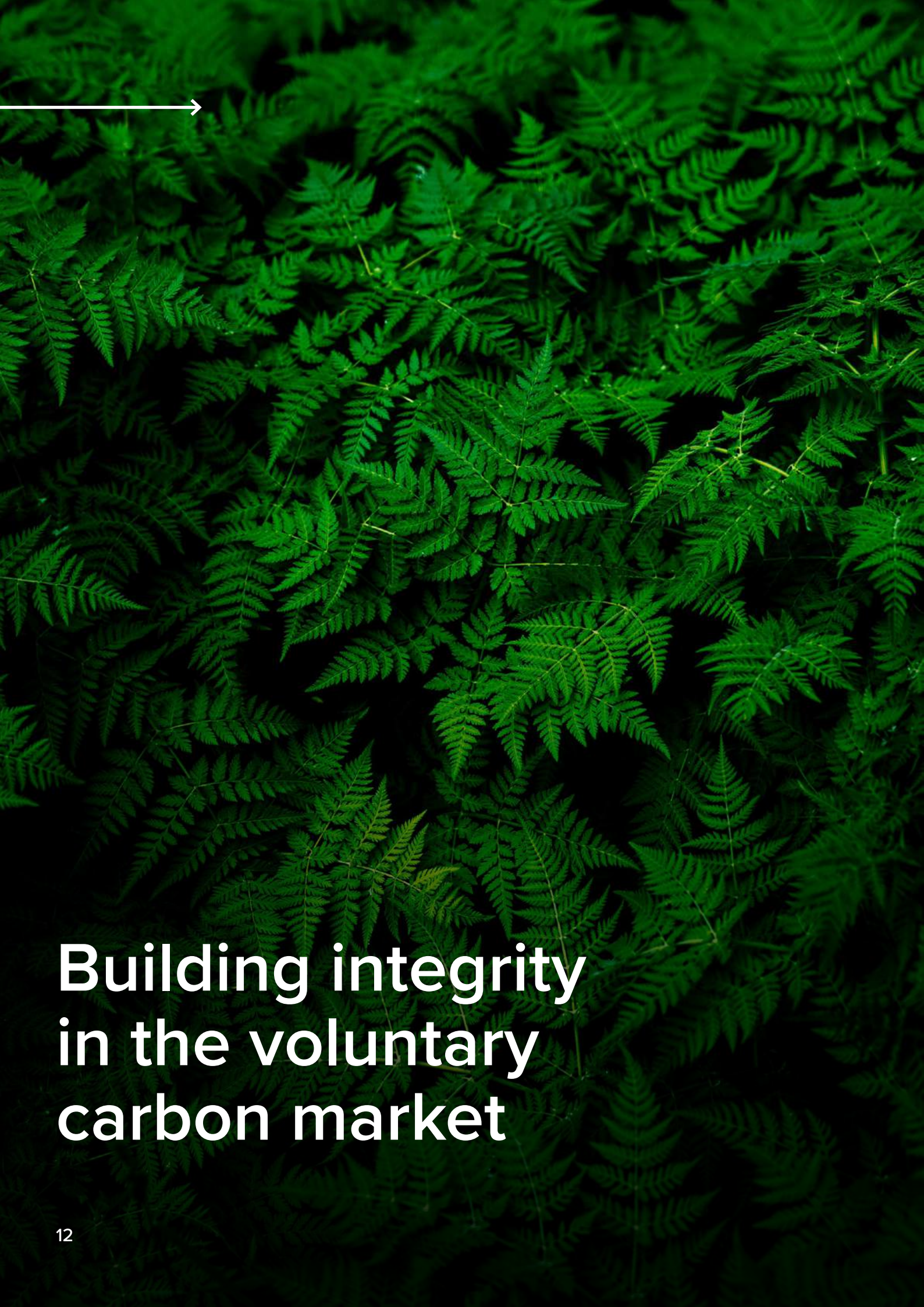
Continuous Improvement Work Programs

Our Continuous Improvement Work Programs (CIWPs) are stakeholder workshops, working on specific issues to raise ambition across the market. The Integrity Council will draw on the work of the CIWPs to strengthen the CCP rules over time, updating them based on this work along with experience, the latest science and technology, and new developments in the market.

Our stakeholder workshops have identified key areas for improvement and innovation to feed into the next iteration of the CCPs.

Our work in action:

- Five Continuous Improvement Work Programs underway to identify emerging best practice and address areas of complexity



Building integrity in the voluntary carbon market

Core Carbon Principles

The Core Carbon Principles (CCPs) are 10 fundamental, science-based principles for identifying high-quality carbon credits that create real, verifiable climate impact.

Published in March 2023, the CCPs were developed with input from hundreds of organisations. We held a 60-day public consultation and received well over 5,000 comments from more than 350 submissions. This shows a high level of commitment to integrity across the whole market.

The CCPs cover three critical aspects of integrity within the voluntary carbon market – governance, emissions impact and sustainable development.

The impact of the CCPs

After the publication of the CCPs, we published the Assessment Framework in July 2023. Carbon-crediting programs started to update their rules and procedures to ensure that they comply with all our requirements and criteria. This included procedures relating to environmental and social safeguards, permanence, monitoring and reporting, and grievance and complaints handling.

Governance

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

Emissions Impact

5. Additionality
6. Permanence
7. Robust quantification of emission reductions and removals
8. No double counting

Sustainable Development

9. Sustainable development benefits and safeguards
10. Contribution to net zero transition

Two-tick process

Our 'two-tick' assessment process means that CCP-labelled carbon credits can only be issued by CCP-Eligible programs using CCP-Approved methodologies. This approach is crucial to ensuring high integrity.

Tick 1: CCP-Eligible Programs

The first step in the 'two-tick' process is assessing an applicant carbon-crediting program against the governance CCPs. We require that they meet all our CCP requirements and criteria, meaning that they follow robust governance rules in their operations, operate transparently, enabling scrutiny from stakeholders, operate robust and secure registry systems to track carbon credits and use independent third-party validation and verification processes for development of methodologies and issuance of carbon credits. Programs that are already approved in [CORSIA](#) have already demonstrated elements of the CCPs and that is taken into account in how they are assessed.

Carbon-crediting programs that achieve CCP Eligibility are then subject to the Integrity Council's ongoing oversight and assurance processes, that ensure they maintain standards over time. This includes regular auditing, spot checks, investigations and reviews across all the aspects of the program's operations.

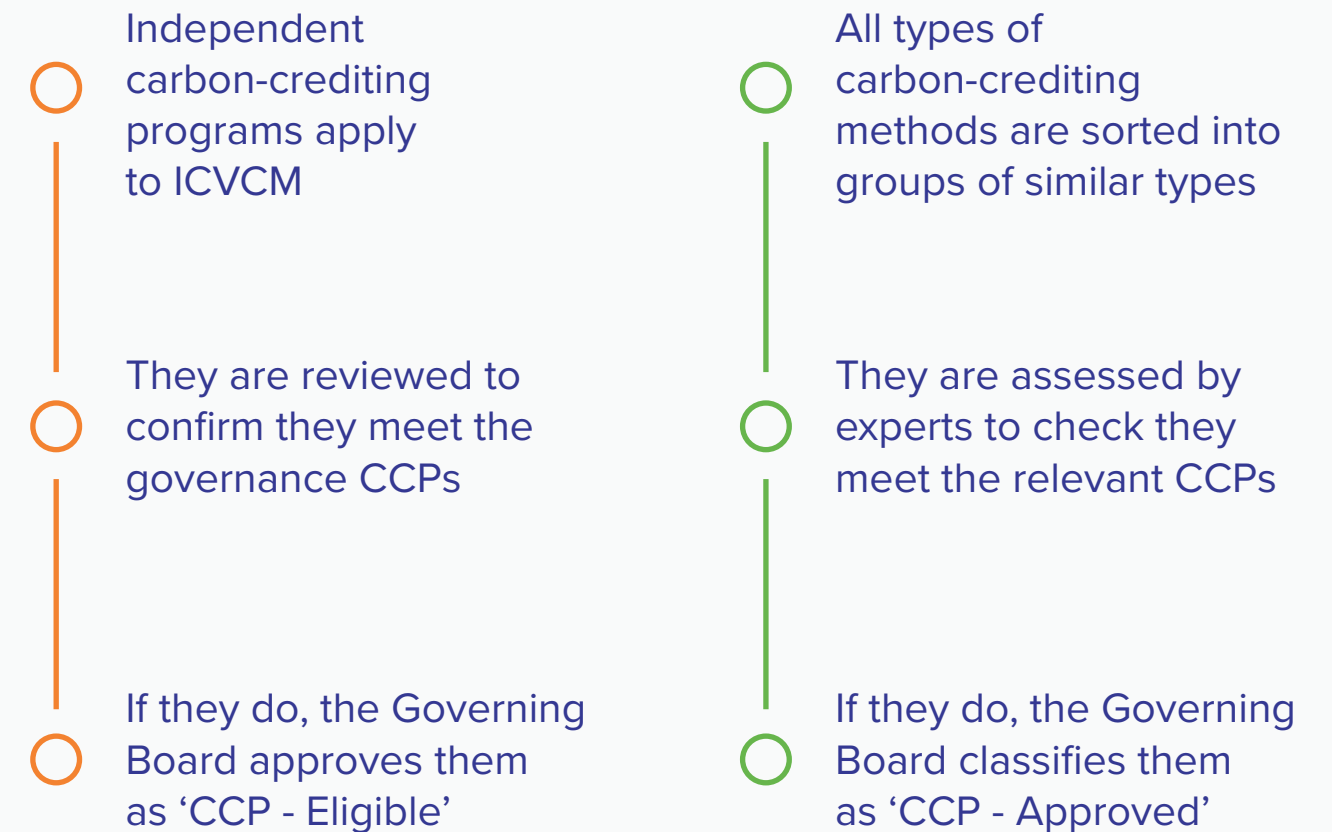
Tick 2: CCP-Approved Categories

The second step of the 'two-tick' process focuses on the methodologies that define how carbon-crediting projects are designed, implemented and measured. Evaluating methodologies is the second step of our assessments.

Categories are groups of similar types of carbon-crediting methodologies, for example forestry or renewable energy.

Each methodology undergoes a rigorous internal or multi-stakeholder assessment to identify if it adheres to the CCPs. The assessment looks at elements including whether the methodology ensures that carbon projects that use the methodology are additional, whether reversal risks for emission removals are managed sufficiently robustly and how the methodology or other program rules ensure projects manage social and environmental impacts and deliver positive benefits.

CCP-labelled credits: the two-tick process



Programs can issue
CCP-labelled credits



Carbon credits issued by CCP-Eligible programs and using a CCP-Approved methodology can be tagged with the CCP label.

This two-tick approach ensures not only strong organisational governance of a carbon-crediting program but also high integrity of the rules for how projects measure and receive carbon credits.

This independent two-tick framework will help build confidence in the market, enabling buyers to identify high integrity carbon credits from across the market and the different carbon-crediting programs.

The assessment of Programs and Categories of carbon credits

In 2024, the Integrity Council started assessing carbon-crediting programs to determine if they can be approved as CCP-Eligible. Program Assessment is an internal process, focusing particularly on adherence to CCP criteria for effective governance, transparency, tracking and robust independent third-party validation and verification. This work has also ensured that CCP-Eligible programs meet CCP rules on robust quantification of emission reductions and removals, no double counting and sustainable development benefits and safeguards. Once evaluations are complete, the results are presented to the Governing Board for a formal decision, which is shared on the ICVCM assessment status webpage.

Simultaneously, our Categories assessment process began with the convening of the Categories Working Group, a multi-stakeholder expert group, which determined how the 35 Categories of carbon credits should be routed for assessment; internal (by experts within ICVCM) or through multi-stakeholder assessment (a mix of internal and external experts) and which would be deprioritised for assessment (due to the limited chance

of passing the CCPs). The different assessment streams do not reflect a difference in the depth of assessments undertaken. All methodologies are assessed with the same rigour for adherence to relevant CCP criteria, and the main differences are that there are more experts involved in multi-stakeholder assessment as the technical complexity of the category requires broader expertise.

The Categories assessed internally by the Integrity Council secretariat and members of the Expert Panel are generally considered to be more straightforward and so this approach ensures a streamlined and focused review based on the relevant CCP criteria. We set up multi-stakeholder working groups (MSWGs) to include expertise from various internal and external stakeholders, including carbon-crediting methodology experts and Indigenous Peoples and local communities. These groups provide a wealth of perspectives and specialised knowledge to assess Categories that raise more complex issues.

Stakeholder Engagement

Our work with Indigenous Peoples and local communities

In 2023-24, we made significant strides in enhancing the engagement of Indigenous Peoples and local communities. We engaged with Indigenous Peoples and local communities when we developed the Core Carbon Principles and Assessment Framework. We are particularly grateful for the work of our Board members Jennifer Corpuz, Kanyinke Sena and Francisco Souza, as well as members of our Expert Panel.

At COP28, we worked extensively to ensure Indigenous voices were at the centre of our engagement. We invited Indigenous People from New Zealand, Cambodia, Guyana and Tanzania to speak at our events in the Indigenous Peoples Pavilion and Nature Pavilion to share their expertise on the Voluntary Carbon Market (VCM) and how it can work for them.



Francisco Souza,
Integrity Council
Board Member

“

To achieve our goals, we must strike a balance between supply and demand. The overarching objective of the Indigenous Peoples VCM Engagement Forum is to bring together ancestral shareholders of nature and the business sector, fostering the scaling up of solutions and the formulation of financial strategies for expediting the resolution. The aim is to harmonise demand and supply, ensuring high integrity and involving Indigenous Peoples and local communities as integral partners in the solution. Additionally, the integration of Indigenous Peoples and local communities in the VCM will incorporate ancestral knowledge while upholding a commitment to maintaining high integrity.

“

If we had financing that would enable us to continue to care for our lands, then that would go a long way to addressing the climate crisis – and one of the opportunities that the Indigenous Peoples have identified is through the voluntary carbon market. The financing that can come through this will enable us to continue to govern our lands in a way that enables positive biodiversity and climate outcomes.



Jennifer Corpuz,
Integrity Council
Board Member

The establishment of an Indigenous Peoples and Local Communities Taskforce in 2023-24 has helped enhance and coordinate our engagement with Indigenous Peoples and local communities. In early 2024, the Taskforce evolved into the Indigenous Peoples and Local Communities Committee who (alongside the Forum) will continue to guide the work of the Integrity Council's Executive Secretariat.

Using insights from Indigenous leaders at COP27, the Taskforce has been hard at work developing the Indigenous Peoples and Local Communities VCM Engagement Forum. This will be a self-led Forum, dedicated to ensuring that Indigenous Peoples and local communities' rights and interests are prioritised within the VCM through a range of structured engagement, transparency, advocacy, knowledge exchange, technical assistance and the development of best practices. The Forum will also focus on income opportunities and biodiversity protection for Indigenous Peoples and local communities. Recruitment for the Forum's Governing Board began in early 2024 and the first Board meeting is set for July 2024.

The Forum will function independently, with the Integrity Council supporting its long-term success and operational capacity. Additionally, the Integrity Council is open to delivery partners to assist with facilitating or hosting the Forum.

“ We have seen that high level carbon credits are the best way for us to get direct finance to the ground. In the final days of COP28, we request you to recognise the impact of high integrity carbon credits.



Isack Bryson, native of Yaeda Valley, Tanzania and participant at COP28 panel on Indigenous People and the voluntary carbon market.



Kanyinke Sena, Integrity Council Board Member

“ Indigenous Peoples and local communities manage and protect 40% of the planet's ecologically intact landscape – so it is very important that they are involved in the VCM.



Government and regulator engagement 2023-24

Globally, the voluntary carbon market increasingly falls within the scope of government policy and regulation through sustainable disclosure, consumer protection and other regulations. Government oversight can bring certainty to the market but there is a real risk that a regionally fragmented approach could significantly hinder growth.

Up to the end of March 2024, the Integrity Council saw significant recognition from governments and regulators. The UK government announced its intention to consult on the voluntary carbon market and consider endorsement of the CCPs and how to reflect them in policy, regulation, and guidance.

The Commodity Futures Trading Commission (CFTC) welcomed the Integrity Council's work to create a common understanding of high-quality carbon credits and the CFTC's [draft guidance](#) is in accord with the CCPs. The African Carbon Markets Initiative requires project developers to adhere to the CCPs and the Monetary Authority of Singapore is exploring how to align its transition credits with the CCPs.

During this period, Integrity Council representatives also shared our work with the US government, which subsequently announced a set of principles for high integrity carbon markets in May that are closely aligned with the CCPs.


In early 2024, work also began on scoping our Public Affairs and Engagement strategy. For this workstream, the Integrity Council will focus on aligning and ratcheting up global standards and broadening market engagement. Our mission is to ensure a consistent international high integrity standard for carbon credits. This is crucial for fostering a robust, transparent, and credible voluntary carbon market that supports global climate objectives and benefits all stakeholders.

To achieve this, we will engage with policy makers and regulators to unblock regulatory barriers to carbon market integrity and scale and build alignment with our Core Carbon Principles and Assessment Framework. We also seek to work with international organisations through participating in global discussions including working groups related to Article 6 of the Paris Agreement, ISO standards, and the G20 summit.

In 2023-24 the Integrity Council hosted workshops with regulators from around the world. The first workshop convened over 80 participants from 34 regulatory authorities and governance bodies. Many participants confirmed that they were upholding the CCP standards as the basis for regulation and standards in their countries. This raised significant awareness of the opportunity in applying a globally recognised standard and emphasised the importance of the CCPs to the market. As we look to 2024-25, we will continue to conduct regular workshops and meetings with market actors and policy makers to facilitate knowledge sharing and gather feedback to refine our standards.

For 2024-25, we have started to explore collaborations with capacity-building providers to develop guidance and training tools for countries who are looking to engage with carbon markets. This includes engaging with countries to understand their needs and remove barriers to supply including through knowledge-sharing workshops.





Developing high integrity through Continuous Improvement Work Programs

The Integrity Council's pioneering Continuous Improvement Work Programs (CIWPs) commenced in 2023-24. They are designed to address important questions and discussions in the VCM and to help ensure the market is evolving, harmonising, standardising, and modernising.

These work programs bring together leading market experts and key stakeholders in a collaborative effort to harness existing and emerging best practices to address the complex challenges and opportunities facing the market today.

The overarching goal is to continually increase the market's potential to unlock private finance for climate solutions that are as impactful as possible through exploring innovative approaches and technological advances that will enable the Integrity Council to build stronger, more transparent, and more robust solutions for the VCM as a whole. This will materially increase finance flows from the private sector, particularly in the Global North, to more and more impactful carbon projects, particularly in the Global South, that are good for both people and the planet.

There are several key areas of focus for the [Continuous Improvement Work Programs](#):

1. Paris Alignment 1 (Corresponding adjustment)
2. Paris Alignment 2 (Share of Proceeds for Adaptation (SOPA))
3. Paris Alignment 3 (Baselines and Nationally Determined Contributions)

4. Permanence
5. Sustainable Development Benefits and Social Safeguards (*includes Benefit Sharing)
6. Digital Measurement, Reporting and Validation (MRV)
7. Market Transparency, Standardization and Scalability
8. Oversight of Validation / Verification Bodies (VVBs) and Measurement, Reporting and Validation (MRV) systems
9. Simplified approaches for small projects
10. Jurisdictional Crediting Approaches

Continuous Improvement Work Programs will continue to operate on a rolling basis over the next financial year, with public reports guiding the public consultation for the next version of the Assessment Framework.



2023-24 highlights

Alongside building integrity, it is critical that we raise awareness of our work so that Indigenous People and local communities, buyers, project developers, governments and regulators also understand what high integrity means in the voluntary carbon market. Once we have a strong supply of high-integrity, CCP-labelled credits in the market, it can start to fulfil its potential.

The Integrity Council at COP28

COP28 saw influential voices – governments, market actors, and others – supporting our work and, more broadly, the role the voluntary carbon market plays in financing climate solutions where they are most needed.

Key government and regulator announcements included the [UK Government's intention to consult on potential next steps for VCMs, with the Integrity Council playing a key role in informing the consultation process](#). The Monetary Authority of Singapore said it would explore aligning transition credits with the CCPs in consultation with the Integrity Council. While the Commodity Futures Trading Commission published draft guidance in accord with the CCPs.

On the market side, Climate Impact X announced plans to launch standard contracts aligned with the CCPs and [Xpansiv announced its consultation](#) on the infrastructure needed to support trading of CCP-labelled credits.

And we also saw endorsements from leading environmental NGOs and philanthropic organisations for the Integrity Council's work. Together this support underscored the growing support for the role a high-integrity carbon market can play in accelerating emission reductions.



2023 - 24 in numbers

Representation at 150+ events in
11 countries

8 carbon-crediting programs
applied for assessment covering
98% of VCM
by 2023 issuance.

100+ methodologies sorted into
35 Categories
of carbon credits.

18 new members of staff joined
the secretariat from
8 countries.

5
Continuous Improvement
Work Programs initiated.


6
Multi-stakeholder Working
Groups set up.

438
media articles referenced the
Integrity Council, including the
Financial Times, Wall Street
Journal, Bloomberg, Reuters,
Politico, S&P Global,
Carbon Pulse.

40+
regulators engaged through
workshops and meetings from
the Global South and north.

**Strong social media
presence, including:**

 LinkedIn Page Reach:
70,000+
connections

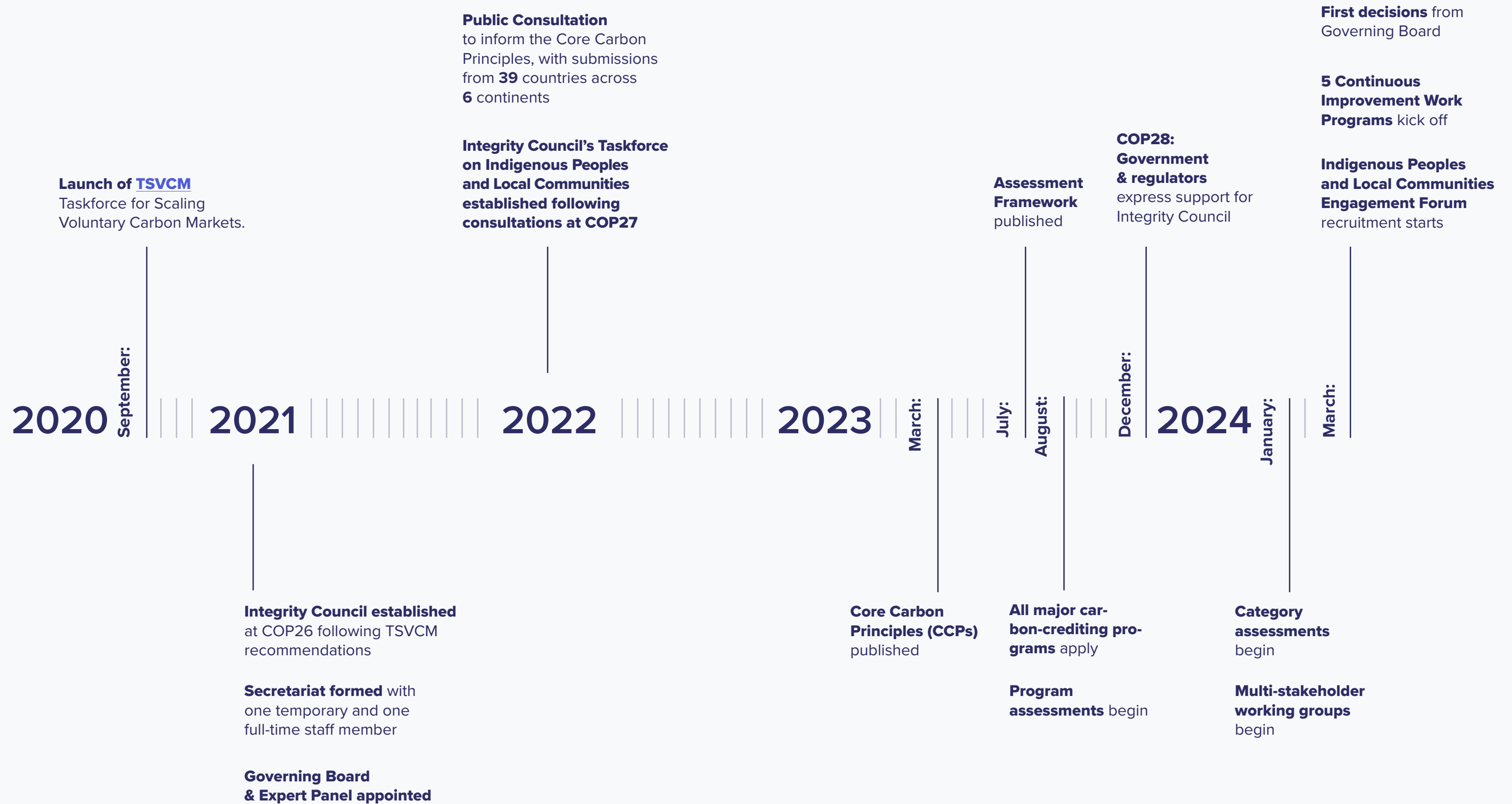
 LinkedIn Page Impressions:
550,000+

 LinkedIn Post Impressions:
520,000+

 LinkedIn Post Clicks:
19,000+

 Twitter/X Post Impressions:
12,600+

Milestones



Thank you

The achievements laid out in this report would not have been possible without the incredible support we receive from our Governing Board, Expert Panel, our funders, pro-bono contributors, and other organisations who share our vision.

Our funders

Sequoia Climate Foundation
High Tide Foundation
Grantham Foundation for the Protection of the Environment
Google.org
City of London Corporation

Children's Investment Fund Foundation
Department for Energy Security and Net Zero UK
Bloomberg Philanthropies
Bezos Earth Fund

Our Governing Board

We would like to thank our Governing Board members, who bring their invaluable knowledge and experience to our work, from disciplines ranging from financial markets to sustainable development. Throughout 2023-24, our Governing Board members have delivered decisions and direction, and consistently acted as ambassadors for our work. We are particularly grateful for their collective commitment to strong governance to guide and underpin the ICVCM and the CCP Assessment Framework.

Our Distinguished Advisory Group

We are deeply grateful to the members of this group for their support and engagement in our work and the insightful perspectives they bring to our strategic planning and overall vision.

In-kind support

Slaughter & May LLP

Our Expert Panel and subject matter experts

We are very grateful for the commitment and expertise provided by our experts on the many complex subjects that we addressed in developing the Assessment Framework. Our Expert Panel members and Subject Matter Experts have given the Governing Board invaluable recommendations on the technical aspects of the Assessment Framework. Many of them have also subsequently provided their valuable expertise to the implementation of the assessment process and assessments themselves, through participation in the working groups. Their contribution to our Continuous Improvement Work Programs has also been critical to supporting focussed and ambitious discussions.

Our Collaborators

British Standards Institute (BSI)
Center for Climate and Energy Solutions (C2ES)
International Emissions Trading Association (IETA)

