

Beyond offsetting – multiple use cases of certification

Offsetting is not certification – it is one specific use case of certification. Next to offsetting, many promising use cases of a carbon removal certification framework can deliver positive climate and economic impacts without allowing for compensation claims. For the purpose of informing a constructive political debate, it is essential to distinguish between the potential use cases of carbon removal certification.

Carbon offsetting is the act of claiming to compensate for emissions by retiring carbon credits. Carbon credits can be either emission avoidance or reduction credits, or removal credits. Only removal credits make a “net zero” or “climate neutral” claim possible. Offsetting is usually enabled by a market (voluntary or compliance) in which carbon credits are bought and sold until they are retired. Voluntary purchases are motivated by companies’ desire to make environmental claims at either a firm level (e.g., “net zero” Scope 1-3 emissions) or product level (e.g., “carbon free”, “net zero product”, etc.).

Next to offsetting, there are two broad use cases for certified carbon removal that are entirely distinct from offsetting:

1) Uses that do not involve compensation claims – Certified carbon removal could be used to make contribution claims, rather than compensation claims. A country may wish to support the piloting of a variety of carbon removal methods through grants and other direct incentives on the basis of fostering innovation, creating jobs, and demonstrating climate leadership. That government program would still want to know how much carbon each recipient was able to remove, in order to assess impact, and could certify those removals, but that government could stop short of counting them as compensation against other emissions. In a voluntary context, corporations may wish to demonstrate climate leadership by supporting early-stage CDR methods and simply claim to have “contributed” to the scale-up of those solutions, rather than “compensating” for any specific emissions.

2) Uses that are not quantised into carbon credits – The amount of carbon a project removes can still be measured and reported without being divided up into severable and tradeable 1 tCO₂ carbon credit units. Especially with land-based carbon removal, the unit of certification for a given methodology could be an acre of land that is being certified against a set of prescribed practices. Other examples could involve certification to demonstrate adherence to mandated practices. For example, a municipality or region could pass a rule that a minimum percentage of all publicly procured concrete for municipal works contain a fraction of removed carbon.

	Certification	VS.	Offsetting
What it Entails	Carbon removal certification is the act of reporting and authenticating carbon removals		Carbon offsetting is the act of claiming to compensate for emissions by retiring carbon credits
Examples of use cases	In addition to certifying carbon credits that could be used in offsetting, certification can be used to validate contributions towards climate positive actions or attest to the adherence of other standards or regulations		Carbon credits used in offsetting typically stems from project involving forestry and conservation, renewable energy, and energy-efficiency related community projects

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