

# Implementing Oxford Principles for Net Zero Aligned Carbon Offsetting Within the Israeli Market

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# Major Shifts and Global Urgency

**A**s the global sustainability community undertakes the massive effort of limiting the increase in global average temperature to 1.5 °C and achieving net zero carbon emissions as directed by the Paris agreement, it is essential that leaders remain informed about newly released best practices and methodology for reducing and removing carbon emissions. In this briefing, KVS aims to inform readers of the latest modifications to global standards on Net Zero Aligned Carbon Offsetting and demonstrate how said practices can be best implemented within the Israeli carbon removal ecosystem.

The revised [Oxford Principles for Net Zero Aligned Carbon Offsetting](#) restate the 2020 core Principles and provide further detail and clarification on previously vague suggestions, increasing the overall effectiveness of the Principles in directing meaningful net zero aligned change. The authors highlight six notable updates to the original document, summarized below:

## “Reinforcing the urgency of reducing emissions”

Net zero emissions cannot be achieved through carbon removals alone. Reducing emissions through improved energy efficiency, diligent waste management, water conservation, sustainable value chains and early investment in renewable energy is essential to realizing carbon neutrality. All carbon credit purchases must be additional to previously targeted reductions.

## “Emphasizing the need to close the carbon removal gap”

There is a severe shortage of high-quality carbon removal and storage opportunities. Low-risk (durable) removal strategies must be scaled 30x by 2030 and 1000x by 2050 in order to meet Paris Agreement goals.

## “Highlighting further recent evidence showing that nature-based solutions are critical for addressing the drivers and impacts of climate change”

Increased importance and validity has been given to nature based solutions, such as ecosystem restoration, as a means to achieve net zero and to support adaptation to climate change impacts, whether or not these projects generate retirable carbon credits. While credible projects provide greater clarity and are verifiable, making reductions and removals easier to track, nature based solutions that do not generate credits remain essential to combating climate change.

## “Clarifying the durability risks and co-benefits of different types of removal and storage”

The updated Principles approach the durability of carbon removals and storage on a spectrum as opposed to the previously utilized short-term or long-term approach. Further detail is also provided on the effectiveness of storage under various governance arrangements and conditions, the risks of different projects, and on the co-benefits of said projects.

### “Defining terms to reflect new international guidance on net zero and nature commitments and claims”

New international guidance emphasizes that organizations must prioritize reducing emissions within their value chain and invest in high-quality, durable removals to offset any remaining emissions. New standards also encourage organizations to set targets for biodiversity and ecosystem restoration. As dialogue surrounding carbon offsetting amplifies, the authors find it necessary to provide an official glossary of terms and targets, increasing clarity and transparency while discussing carbon sequestration and emissions reductions. Standardized definitions are linked on page four of this document.

### “Recognizing the value of mitigation efforts outside of organizational net zero targets”

Organizations with the capacity to purchase carbon credits in excess of their generated emissions should do so with the understanding of others’ limited ability to meet net zero by 2050. Carbon credits and mitigation efforts may be purchased with the intention to offset emissions beyond an organization’s own value chain.

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## Reiterating Core Principles

**A**side from the significant shifts in the Oxford Principles summarized above, much of the guidelines below are consistent with previous versions of the document, though further detail is provided to increase clarity in the 2024 model. The Core Principles along with new details are summarized below for ease of reference.

### “Cut emissions, ensure the environmental integrity of credits used to achieve net zero, and regularly revise your offsetting strategy as best practice evolves”

- Prioritize reduction in both direct and indirect emissions. Reducing overall emissions lowers the need for additional offsetting and has numerous co-benefits, especially given the currently limited supply of high-quality carbon credits.
- The integrity of all carbon credits must be measured, reported and verified. Credits should have a low risk of reversal and avoid negative impacts on local populations and the environment, as well as being demonstrably additional to emission reductions without said offsets.
- Maintain transparent reporting of current emissions, credit verification and account processes, emissions targets and transition plans.

### “Transition to carbon removal offsetting for any residual emissions by the global net zero target date”

- While most credits in the market today originate through emission reductions or emission avoidance, both helpful in the short to medium term, organizations must shift towards carbon removals as the target date approaches. Carbon removals will remove carbon from the atmosphere to counteract residual emissions and achieve net zero.

- Those targeting net zero through the use of carbon credits must increase their proportion of credits that come from carbon removals to 100% by 2050 at the latest.
- Alternate methods must be used both before and after the target date to avoid and reduce emissions.

**“Shift to removals with durable storage (low risk of reversal) to compensate any residual emissions by the net zero target date”**

- Following its removal from the atmosphere, carbon dioxide must be stored through low risk of reversal sequestration, meaning once stored it has a low risk of being released back into the atmosphere. This can be accomplished through the use of geological reservoirs or the mineralization of carbon into a stable form for long term storage (centuries to millennia).
- Carbon sequestration can also be accomplished through nature-based approaches designed to restore and protect the carbon stored in well-managed ecosystems. If properly maintained through various governance agreements and not destabilized by further climate change, these ecosystems could store carbon for millennia.

**“Support the development of innovative and integrated approaches to achieving net zero”**

- The market for high-quality (low risk of reversal) carbon removals is underdeveloped and in need of early investors to support its growth. Below is a list of practices suggested by Oxford designed to encourage the development of the carbon removal market:
  - Long-term agreements to provide stability to project developers by reducing risk in project finance
  - Form relationships with industry peers to further develop the market with net zero aligned projects
  - Support the protection and restoration of ecosystems to reduce emissions and increase carbon sequestration, as well as allowing for adaptation to climate change impacts. Ecosystem restoration projects should be supported not only for their efficacy in carbon sequestration but also their social and environmental benefits

The updated Principles also include standardized definitions of relevant terms and targets designed to increase clarity and transparency during the transition to net zero. Please follow the link below and continue to page eight for updated definitions for use in the Israeli carbon removal community.

[Oxford Principles for Net Zero Aligned Carbon Offsetting 2024](#)

KVS endorses the principles and methodology above and encourages the Israeli carbon removal community to follow the latest best practices as stated by the 2024 Oxford principles for Net Zero Aligned Carbon Offsetting.

# Applicability to the Israeli Market

**D**espite its small size and relatively low carbon footprint, Israel is uniquely positioned to make a major impact on the current global climate crisis. Through its capacity to produce and export innovative and high quality technologies, the rapid pace of national collaboration, as well as its geographic location, Israel has the potential to be a global model for climate change mitigation.

Situated at the intersection of three continents, Israel is considered both an essential bird migration crossroads as well as a biodiversity hotspot. Its diversity of climate also hosts a variety of ecosystems and dozens of endangered species and species found only in Israel.

Israel has already garnered global attention for its green innovation; between agricultural technologies, water desalination, water conservation and reforestation, the imaginative nature of the already developing domestic carbon removal and reduction ecosystem positions Israel to be a leader in global carbon sequestration efforts.

The principles above can be applied by the Israeli carbon removal community in order to create a robust carbon removal ecosystem. In other words, to achieve a network of organizations and companies that work collaboratively toward the ultimate goal of carbon sequestration and net zero emissions.

With respect to the purchase and trade of carbon credits, KVS encourages Israeli companies targeting net zero to work toward meaningful carbon emission reduction and removal while fostering the growth of the Israeli ecosystem. Reduction should be maximized whenever possible. Any remaining emissions should be removed from the atmosphere and stored in a durable manner; KVS advises organizations designing net zero aligned sustainability plans to direct approximately 80% of their removal investments toward already operational, high-quality, natural based projects with potential to scale, and 20% of their removal investments toward highly durable, scalable, low-risk projects still in developmental stages. In this manner, Israeli organizations investing in removals within Israel have the opportunity to create a major impact in not only mitigating global warming and achieving net zero, but also restoring emissions to pre-industrial levels through the maturation of the domestic removal ecosystem.

*\*This report aims to summarize the Oxford Principles for Net Zero Aligned Carbon Offsetting and to demonstrate their applicability to the Israeli carbon removal community, as well as to help the Israeli market engage with the latest best practices. Please follow the hyperlinks on pages 2 and 4 to read the Oxford Principles in their entirety.*