

How does the CRCF compare to other carbon crediting approaches?

Insights from comparing the methodology for permanent removals with the methodology requirements of the Paris Agreement Crediting Mechanism (PACM)

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Online, 19 February 2026

Overview of results

PACM requirement	CRCF alignment	Risk for CRCF unit integrity
Additionality		
No retroactive crediting	No	Likely low
Consideration of legal requirements	No	Likely Low
Investment analysis	No	Likely low (except biochar)
Consideration of public funding	No	Medium
Quantification of emission reductions and removals		
Conservativeness and consideration of uncertainty	Partially	Partially high
Baselines to be set below business-as-usual (BAU)	No	Medium
Enhancing the ambition of baselines over time	Unclear	Medium
Rules for updates of standardised baselines	No	High
Accounting for biomass use	No	Very high
Consideration of indirect land-use	No	Very high
Materiality thresholds for exclusion of emission sources	No	High
Non-permanence	At least comparable	Low
Safeguards and sustainable development impacts	No	Unclear

Investment analysis

PACM

- Requires to provide documented evidence and justifications for the proposed standardised approach to demonstrate that incentives from PACM are needed for the activity
- Especially for biochar this assumption might not be valid and is inconsistent with practices of some carbon crediting programmes on the voluntary carbon market which require project-specific investment analysis for biochar activities

CRCF

- Simply assumes that activities are not viable without the incentive from the CRCF without providing detailed evidence and justification

Accounting for biomass use

PACM

- Requires full leakage accounting
- Prohibits diverting biomass from existing uses to an activity
- Will likely prohibit use of biomass from existing forest plantations

CRCF

- Does not require leakage accounting – only excludes high-risk feedstocks and measures to curb demand
- Allows using biomass with existing uses
- Allows using logs, round-wood, stumps or roots (with restrictions for biochar)

- Risk that amount of biomass consumed may increase because of CRCF activities
- Lack of appropriate accounting may lead to an increase in EU emissions in the LULUCF, ESR or ETS sector or higher emissions in biomass exporting countries

Conclusions

- Carbon markets show characteristics of a ‘lemon-market’
- Global push to increase integrity: ICVCM, PACM, Rating agencies
- Most shortcomings could be addressed without placing undue burden on project proponents
 - Standardized approach to baseline and additionality already simplifies project development
 - Need to resolve tension of EU regulatory approach vs standard setting
- 2026 review offers an opportunity to strengthen the CRCF and its methodologies and align it more closely with the PACM and best practices in carbon crediting

Thank you for
your attention!

Read here our paper:

[Does the CRCF methodology for
permanent removals align with the
PACM?](#)

