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World’s first carbon insurance product launched to protect trade in ITMOs

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Oka, a global carbon insurance company, have teamed up with project developer Delagua to launch the product called Corresponding Adjustment Protect.

Delagua, which has secured Letters of Authorization for CA from the Rwandan government for its cookstove projects in the country, helped design the product and is the first developer using the insurance solution.

The policy is underwritten by Oka Syndicate 1922, a Lloyd’s of London syndicate, that is operated by Oka.

The CA is an accounting mechanism designed to prevent double counting by nation states transferring carbon credits, known as Internationally Transferred Mitigation Outcomes (ITMOs), from one country to another under Article 6 of the Paris Agreement.

But the ability of the host nation to revoke ITMOs has proven a thorny issue in the market.

In March, ICAO, the UN body that oversees international aviation, kept several standard bodies, including Verra and Gold Standard, under conditional eligibility (https://carbon-pulse.com/270284/) for phase one of its emissions scheme, known as CORSIA, because of the revocation threat.

Gold Standard has now has now “clarified its policy” for managing reversals of emission reductions or rem at are eligible for CORSIA to counter the revocation problem.

Verra is still mulling the best solution to overcome the issue.

Delagua, whose Rwandan cookstove projects are verified by Verra, said the insurance product will allow the company to offer the security buyers are seeking.

“I see Corresponding Adjustment Protect as an exciting innovation that will be a real catalyst for growth across the market,” said Neil McDougall, co-founder and chairman of Delagua.

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