

Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website <u>Site terms and Privacy Policy</u> apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: www.carboncreditquality.org

Sub-criterion:	2.2.1: Avoiding double issuance due to double registration
Carbon crediting program:	CAR
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	20 May 2022
Score:	5

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Assessment

Indicator 2.2.1.1

Relevant scoring methodology provisions

"The program has basic provisions in place which manages the transition of projects from one to another program and either avoids registration of the same project under two programs or, if double registration is permitted, has basic provisions in place to ensure that carbon credits for the same emission reductions or removals cannot be issued under the same program or must be cancelled under one program before they can be issued under another."

Information sources considered

1 Reserve Offset Program Manual, March 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve Offset Program Manual March 2021.pdf

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.9: "Existing projects that have been registered with other carbon offset programs may be transferred to the Reserve if they meet, and are successfully verified against, the Reserve's protocol requirements, and if they meet the project start date requirements detailed in Section 2.4.3. Such projects must submit a Registry Project Transfer Form, available for download at http://www.climateactionreserve.org/how/program/documents/. The Registry Project Transfer Form requires additional information and documentation to determine the status of the project and any offset credits issued for it under other programs.

The project developer must also provide the Reserve with a signed Project Transfer Letter before CRTs for that project are issued by the Reserve. The letter must be sent to the administrator of the other program where the project was registered, confirming that no further emission reductions or removals for the project will be verified or registered under the other program.

Transferred projects are considered pre-existing projects and thus are able to register more than 12 months of data during their initial verification with the Reserve (see Section 3.4.2). Transfer projects are also subject to contiguous reporting, which means that a project's initial verification period with the Reserve must be contiguous with the end of the last verification period under the program from which the project is transferred.

The crediting period for a transferred project will be reduced by the length of time that has elapsed since the project start date, as defined by each protocol.

Note that while projects can be transferred from another program to the Reserve, previously issued credits from another program cannot be transferred to the Reserve. Furthermore, projects that generated offset credits in the past but were never registered on a carbon offset registry cannot be registered with the Reserve."

Provision 2 Source 1, section 2.9: "When a project is submitted for listing with the Reserve, staff conduct a review of other carbon project registries to ensure that the project is not seeking GHG credits for a concurrent period of time."

Assessment outcome

Yes (2 Points).

Justification of assessment

The above documentation specifies that the indicator is fulfilled.

Indicator 2.2.1.2

Relevant scoring methodology provisions

"The program also requires legal attestations from project owners which confirm that they have not and will not request issuance of carbon credits for emission reductions or removals from more than one program."

Information sources considered

- 1 Restrictive Covenant and Project Implementation Agreement for forest projects, available at https://www.climateactionreserve.org/wp-content/uploads/2009/03/Updated-Final-PIA-with-Exhibits-and-Recordation-Cover-Page 10-19-12.pdf
- 2 Reserve Offset Program Manual, March 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve Offset Program Manual March 2021.pdf
- 3 Reserve Attestation of Title, available at: https://www.climateactionreserve.org/how/program/documents/

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 12.a.8: "As of the Effective Date, Forest Owner does hereby represent and warrant that [...] Forest Owner has not registered any portion of the Property, the Forest Project, or any enterprise on the Property that is similar to the Forest Project simultaneously with the Reserve and another entity or organization that tracks credits, benefits, emissions reductions, offsets and allowances attributable to the sequestration and reduction of carbon dioxide and GHGs".
- Provision 2 Source 1, section 12.b.2: "For the Duration of the Term, Forest Owner does hereby covenant to and with the Reserve that [...] Forest Owner shall not register any portion of the Property, the Forest Project, or any enterprise on the Property that is similar to the Forest Project simultaneously with the Reserve and another entity or organization that tracks credits, benefits, emissions reductions, offsets and allowances attributable to the sequestration and reduction of carbon dioxide and GHGs".

Provision 3 Source 2, section 3.3.6: "All project developers must submit a signed Attestation of Title form indicating that they have exclusive ownership rights to the GHG reductions or removals associated with the project and for which the Reserve will issue CRTs. In addition, the project developer agrees that ownership of the GHG reductions or removals will not be sold or transferred except through the transfer of CRTs in accordance with the Reserve Terms of Use policies".

Provision 4 Source 3: "Neither the Project Reductions nor any Project CRTs have been or will be registered with, reported in, or held, transferred or retired via any emissions registry or inventory other than the Reserve (except as to Project Reductions represented by Other Project Credits) or registered with the Reserve under a different project title or location".

Assessment outcome

Yes (1 Point).

Justification of assessment

Provisions 1 to 3 specify that the indicator is fulfilled. Developers of forest projects need to sign a Project Implementation Agreement including the above provisions in order to register a project with CAR. Additionally, all project owners must sign a legal Attestation of Title prior to each registration (Provision 3). Through this form they attest, and thus accept liability, that the relevant emission reductions are not registered in any other program, or in the Reserve under another project (Provision 4).

Indicator 2.2.1.3

Relevant scoring methodology provisions

"The program also conducts checks, or requires validation and verification entities to verify, that already registered projects have not, and will not, be issued carbon credits in any other programs for emission reductions or removals for which the program is also issuing carbon credits (unless the credits have been cancelled under other programs prior to reissuance under the current program)."

Information sources considered

- Verification Program Manual, February 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification_Program_Manual_February_2021.pdf
- 2 Reserve Offset Program Manual, March 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve Offset Program Manual March 2021.pdf

Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.6.1.6: "The verification body must confirm that the project developer has signed the Attestation of Title and is the owner of full, legal and

beneficial title to the GHG reductions or removals generated within the Reserve. Although several parties may be involved in a single project, the party that signs the Attestation of Title must be the party that has beneficial ownership rights in relation to the CRTs registered in the Reserve".

Provision 2 Source 1, section 4.6.1.3: "Transfers from another GHG registry shall be reviewed by the verification team, and the verification body must ensure that no double-counting has occurred by cross-checking the previous registry's records with the Reserve software".

Provision 3 Source 2, section 2.9: "When a project is submitted for registration, following review of the verification report, Reserve staff will once again conduct a review of other carbon project registries".

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation specifies that the indicator is fulfilled.

Scoring results

According to the above assessment, the carbon crediting program fulfills all indicators and thus receives 4 out of 4 achievable points. Applying the scoring approach of the methodology, this results in a score of 5.