

## 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 [Site terms and Privacy Policy](#) 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](http://www.carboncreditquality.org)

Criterion:	<a href="#">7.2 Stringency and coverage of the host country's current NDC</a>
Host country:	<a href="#">Indonesia</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">Efficient cookstoves: 1</a> <a href="#">Establishment of natural forest: 1</a> <a href="#">Landfill gas utilization: 1</a>

**Contact**

[info@oeko.de](mailto:info@oeko.de)  
[www.oeko.de](http://www.oeko.de)

**Head Office Freiburg**

P. O. Box 17 71  
 79017 Freiburg

**Street address**

Merzhauser Straße 173  
 79100 Freiburg  
 Phone +49 761 45295-0

**Office Berlin**

Borkumstraße 2  
 13189 Berlin  
 Phone +49 30 405085-0

**Office Darmstadt**

Rheinstraße 95  
 64295 Darmstadt  
 Phone +49 6151 8191-0

## Assessment

### Relevant scoring methodology provisions

The scoring approach assesses the stringency and coverage of the host country's current NDC. The scoring consists of several steps. First, it is determined whether the emission reductions or removals of the project or project type are covered by the host country's NDC. If this is the case, the second step is to assess the extent to which the NDC target deviates from the level of emissions that would most likely occur in the target year or period with current policies. The third step is optional and includes an evaluation of the likelihood that the emission reductions from the project or project activity are visible in the GHG emissions reported by the country to track progress towards its NDC. Finally, it is assessed if any reversals are likely to be accounted and compensated for by the host country. See more details on the scoring approach in the methodology.

### Information sources considered

1. Indonesia's first updated NDC which has been communicated to the UNFCCC secretariat on 22 July 2021  
[https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Indonesia First/Updated NDC Indonesia 2021 - corrected version.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Indonesia%20First/Updated%20NDC%20Indonesia%202021%20-%20corrected%20version.pdf)
2. Climate Action Tracker assessment for the NDC of Indonesia  
<https://climateactiontracker.org/countries/indonesia/>

### Assessment outcome

The host country is assigned the following scores for the respective project types:

- Efficient cookstoves: 1
- Establishment of natural forest: 1
- Landfill gas utilization: 1

### Justification of assessment

This evaluation includes steps 1, 2 and 4 of the methodology, noting that step 3 is optional. The methodology is applied at the level of project types (efficient cookstoves, establishment of natural forest, landfill gas utilization), and not at the level of individual projects.

#### *Step 1*

The first updated NDC of Indonesia is economy-wide and includes the gases CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O (Source 1). The NDC thus covers all three project types (efficient cookstoves, establishment of natural forests and landfill gas utilization).

## Step 2

Data from Climate Action Tracker (Source 2) is used to assess the degree to which the NDC target deviates from the emissions level that would most likely occur in the target year or period with policies in place at the time of communicating the NDC.

We use the policy and action projections for Indonesia from the Climate Action Tracker assessment dated 17 September 2021 (Source 2). This is the earliest available scenario following the publication of Indonesia's first updated NDC on 22 July 2021. The policy and action projections for 2030 are compared to the emission level of the most ambitious of the NDC targets as assessed by Climate Action Tracker (i.e., the conditional NDC target for 2030).

The assessment by the Climate Action Tracker does not provide emission projections for LULUCF emissions. Indeed, emission projections from the LULUCF sector can be associated with large uncertainties. Due to this uncertainty and the unavailability of data with LULUCF emissions, the ambition of the NDC target is here assessed based on emissions data without the LULUCF sector. As a consequence, the overall level of ambition for the NDC target, which includes LULUCF emissions, will not be fully reflected in this assessment.

The Climate Action Tracker estimates that BAU emissions with current policies and actions for 2030 (excluding LULUCF) are likely to correspond to an emissions range between 1,191 and 1,326 MtCO<sub>2e</sub> (Source 2). We use here the average of these two values (1,259 MtCO<sub>2e</sub>) as the most likely BAU emissions (excluding LULUCF). According to Climate Action Tracker, the NDC target for 2030 corresponds to an emissions range between 1,661 and 1,671 MtCO<sub>2e</sub> (excluding LULUCF) (Source 2). We use here the average emissions level of 1,666 MtCO<sub>2e</sub> (excluding LULUCF) (Source 2). This is 32% above the likely BAU emissions. Applying the scoring approach set out in the methodology, this results in a score of 1.

## Step 4

Information in the first updated NDC of Indonesia (Source 1) is used to assess whether the country fully accounts for natural disturbances and whether the country has a multi-year target or uses a multi-year trajectory or budget for NDC accounting purposes.

- Consideration of natural disturbances: There is no information included in the first updated NDC of Indonesia on how to account for natural disturbances. It can therefore be concluded that provisions are not currently in place to address emission changes due to natural disturbances.
- Use of multi-year approaches: No reference is made to the establishment of a multi-year trajectory or budget. In this regard, the NDC only accounts for emissions in 2030.

Since both questions have been answered negatively, the score from the previous step would be downgraded by one point; however, based on Step 2, Indonesia already receives the lowest grading resulting in a final score of 1.