

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

Sub-criterion:	1.1.2 Consideration of carbon credits before project implementation and restrictions on the eligibility of existing projects
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:	2

Contact

info@oeko.de
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

Indicator 1.1.2.1

Relevant scoring methodology provisions

The methodology assesses whether a carbon crediting program requires project owners to publicly document their intent to register a project the time that can lapse after the investment decision before any form of public documentation of the intent of using carbon credits must be made. The scores are applied as follows:

The program requires public documentation of intent of registering a project:	Score
Before the decision to proceed with the project is made	5
Within six months after the decision to proceed with the project is made	2
No such requirement, or more than six months are allowed to pass after the decision to proceed with the project is made	1

Information sources considered

- 1 Reserve Offset Program Manual, Version March 12, 2021
https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf
- 2 U.S. Landfill Project Protocol, Version 5.0, April 2019
https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf
- 3 Forest Protocol, Version 4.0, June 28, 2017
<https://www.climateactionreserve.org/how/protocols/forest/>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.3.5 “Project Listing”, page 26: “Once the project submittal fee has been received, the Reserve reviews the forms to determine whether they are complete and conducts a preliminary assessment of the project’s eligibility according to the eligibility criteria set forth within the appropriate protocol. Once this review is satisfactorily completed, the project is “listed” and made publicly available on the Reserve. Project verification activities cannot begin until a project is listed. Review of submitted forms will generally take no more than 10 business days.

Note that a project may be verified against the protocol version in place at the time of project submittal as long as the project is verified by its verification deadline (see Section 3.4.2). As long as a project meets its verification deadline, a project developer is not required to verify against a new protocol version, even if one becomes effective in between the time a project is submitted and registered. Project developers always have the option, however, of voluntarily choosing to verify against the most recent version of a protocol at any time.

Listing a project does not constitute a validation or verification of the project or its eligibility; it is a preliminary review of project information provided to the Reserve by the project developer. It is not a final determination of the eligibility of the project, nor does it guarantee CRT issuance or CRT ownership. Project registration and CRT issuance is contingent upon the submission and approval of all required forms and documents for a particular project type, including, but not limited to:

- Attestation of Title (see Section 3.3.6)
- Attestation of Voluntary Implementation (see Section 3.3.7)
- Attestation of Regulatory Compliance (see Section 3.3.8)
- NOVA/COI form (see Section 3.3.9)
- Verification Report, Verification Statement, and List of Findings”

Provision 2 Source 2, section 3.2 “Project Start Date”, page 5: [...] “To be eligible, the project must be submitted to the Reserve no more than twelve months after the project start date. Projects may always be submitted for listing by the Reserve prior to their start date. For projects that are transferring to the Reserve from other offset registries, start date guidance can be found in the Program Manual.”

Provision 3 Source 3, section 10 “Glossary of Terms”, page 114: “A Forest Project is considered “listed” when the Project Operator has created an account with the Reserve, submitted the required Project Submittal form and other required documents, paid the project submission fee, and the Reserve has approved and accepted the project for listing”

Assessment outcome

The carbon crediting program is assigned a score of 1.

Justification of assessment

The provisions of the Reserve Offset Program Manual, the U.S. Landfill Project Protocol and Forest Protocol do not include any requirements to publicly document the intent of registering a project.

Indicator 1.1.2.2

Relevant scoring methodology provisions

The methodology assesses whether carbon crediting programs place a limit on the time that can lapse after a mitigation activity starts reducing or removing emissions for a project to be eligible under the program. If the program has any restrictions in place, it receives an upgrade of 1 score point to the score received under indicator 1.1.2.1 otherwise this score is retained.

The program has time restrictions until when validation or registration needs to be completed for projects that already started the mitigation activity	Upgrade to score received under indicator 1
Yes	+1 score point
No	No change

Information sources considered

- 1 Reserve Offset Program Manual, Version March 12, 2021
https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf
- 2 U.S. Landfill Project Protocol, Version 5.0, April 2019
https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf
- 3 Forest Protocol, Version 4.0, June 28, 2017
<https://www.climateactionreserve.org/how/protocols/forest/>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.3 “Project Start Date”, pages 10-11. “In general, the start date for a project will correspond to the start of the activity that generates GHG reductions (sometimes referred to as “start of operations”). Specific requirements for determining the start date of a project are contained in each protocol.

The Reserve limits the eligibility of projects according to their start dates. Start date restrictions are intended to accommodate “early actors” for a period of time following the adoption of new protocols, but to otherwise restrict eligibility to new projects. The Reserve’s general policy is as follows:

1. For qualifying projects that have not previously been listed or registered on a greenhouse gas registry or program:
 - a. For a period of 12 months following the adoption by the Reserve Board of any new protocol, the Reserve will accept projects for listing with start dates (as defined in the protocol) that are no more than 24 months earlier than the date of the Reserve protocol’s adoption. These are considered pre-existing projects.
 - b. After the 12-month period following the date of the Reserve protocol’s adoption, the Reserve will accept projects for listing with start dates (as defined in the protocol) that are no more than six months prior to the date on which they are submitted. A project submitted within six months of its start date is considered a “new” project.
2. For qualifying projects that have previously been listed or registered on a greenhouse gas registry or program:
 - a. Projects with start dates (as defined in a relevant Reserve protocol) on or after January 1, 2001 but more than 24 months earlier than the date of adoption of a relevant new Reserve protocol – and which were listed or

registered with another registry or program at least 24 months earlier than the date of adoption of the new Reserve protocol – may apply for transfer to the Reserve. These are considered pre-existing projects.

b. Projects with start dates (as defined in a relevant Reserve protocol) that are no more than 24 months before and no more than 12 months after the date of adoption of a relevant new Reserve protocol – and that were listed or registered with another registry or program no more than 12 months after the date of adoption of the new Reserve protocol – may apply for transfer to the Reserve.

c. Projects with start dates (as defined in a relevant Reserve protocol) that are more than 12 months after the date of adoption of a relevant new Reserve protocol, and that were listed or registered with another registry or program within six months of the project start date, may apply for transfer to the Reserve.

The Reserve considers a protocol to be “new” if it:

- Covers an entirely new project type not covered by any of the Reserve’s existing protocols;
- Creates a wholly new category of eligible projects under an existing protocol (in which case only the new project category would qualify for a 12-month period of “early actor” eligibility); or
- Significantly expands the geographic coverage of the protocol (in which case only projects in newly covered geographic areas would qualify for a 12-month period of “early actor” eligibility).

If a new version of a protocol is adopted (e.g., updating from Version 1.0 to Version 2.0), this does not necessarily mean it will be considered a “new” protocol.”

Provision 2 Source 1, Section 3.4.3 “Initial Verification and Registration”, page 31-32: “A project must complete verification within 12 months of the end of its initial reporting period. To satisfy this verification deadline, the project developer must submit a completed Verification Report and signed Verification Statement to the Reserve.

For project types that require annual verification at a minimum, the Verification Statement and Report may cover a maximum of 12 months of project activity, with the following exceptions. A pre-existing project (see Section 2.4.3) undergoing its initial verification and registration with the Reserve may submit a Verification Statement and Report that cover multiple years, back to the project’s start date. This data is considered “historic data.” Historic data may only be registered during a pre-existing project’s initial verification with the Reserve. The Reserve also allows project developers to register more than 12 months of data during a project’s initial verification period while still meeting the 12-month verification deadline (based on the maximum initial reporting period specified by each protocol), or register a project’s initial verification period as a zero-credit reporting period (see Section 3.4.5).¹⁸

A project is considered “registered” when the project has been successfully verified by an approved third-party verification body, submitted by the project developer to the Reserve for final approval, and accepted by the Reserve.

A project that fails to meet its initial verification deadline must re-submit under the latest version of the applicable protocol. Projects that do so are not subject to the start date requirements in Section 2.4.3, provided that the project met all applicable requirements at the time of initial submittal.

If a project misses its initial verification deadline, the project is “de-listed”¹⁹ in the Reserve software and is no longer viewable by the public. The Reserve will contact the project developer to inform them they must re-submit under the latest version of the protocol within 60 calendar days of notification.

If the project developer re-submits the project within 60 calendar days, the project is “re-listed” under the same project ID and the project maintains its original start date. The project is given a new listing date.

If the project developer fails to re-submit within 60 calendar days, the project is cancelled. The project developer could still re-submit the same project at a later date, but it would be assigned a new project ID and would have to meet all the requirements of the applicable protocol, including start date requirements.

Projects that successfully re-list must submit either 1) a Verification Statement and Verification Report or 2) a Zero-Credit Reporting Period Acknowledgment and Election form within 12 months of re-submittal, with the following exceptions. Forest and urban forest projects are not eligible for zero-credit reporting periods and therefore must complete initial verification within 12 months of re-submittal.

If a re-listed project misses the deadline above, the project is cancelled. Again, the project developer could still re-submit the same project at a later date, but it would be assigned a new project ID and would have to meet all the requirements of the applicable protocol, including start date requirements.”

Provision 3 Source 2, section 3.2 “Project Start Date”, page 5: “The project start date shall be defined by the project developer, but must be no more than 90 days after landfill gas is first destroyed in a project destruction device, regardless of whether sufficient monitoring data are available to report reductions. The start date is defined in relation to the commencement of methane destruction, not other activities that may be associated with project initiation or development.

To be eligible, the project must be submitted to the Reserve no more than twelve months after the project start date. Projects may always be submitted for listing by the Reserve prior to their start date. For projects that are transferring to the Reserve from other offset registries, start date guidance can be found in the Program Manual.”

Provision 4 Source 3, section 7.3.2 “Verification Periods”, pages 43-44: “The verification period is the length of time over which GHG emission reductions from project activities are verified. The initial verification period for a landfill project is limited to one reporting period (i.e., up to 24 months). [...]”

To meet the verification deadline, the project developer must have the required verification documentation (see Section 7.1) submitted within 12 months of the end of the verification period. The end date of any verification period must correspond to the end date of a reporting period.”

Provision 5 Source 3, section 3.2 “Project Start Date”, page 7: “The start date of a Forest Project is the date on which an activity is initiated that will lead to increased GHG reductions or removals relative to the Forest Project’s baseline. The following actions identify the project start date for each project type:

- For a Reforestation Project, the action is the planting of trees, the removal of impediments to natural regeneration, or site preparation for the planting of trees, whichever comes first. [...]

Projects must be submitted to the Reserve within 6 months of their project start date.

Project Operators must affirm the action denoting the project start date by providing documentation. Adequate documentation could include deeds of trust, title reports, conservation easement documentation, dated forest management plans, and/or contracts or agreements.”

Provision 6 Source 3, section 8.3.2 “Verification Cycle”, page 78: “All Forest Projects must be initially verified within 30 months of being submitted to the Reserve.”

Assessment outcome

The program receives an upgrade of 1 score point to the score of 1 received under indicator 1.1.2.1.

Justification of assessment

The above documentation specifies that the carbon crediting program has time restrictions until when validation or registration needs to be completed for projects that already started the mitigation activity. The program therefore receives an upgrade of 1 score point to the score of 1 received under indicator 1.1.2.1 resulting in a combined score of 2 for this sub-criterion.