



CCQI
Carbon Credit
Quality Initiative

Application of the CCQI 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

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| | |
|---|---|
| Sub-criterion: | 2.2.2: Avoiding indirect overlaps between projects |
| Carbon crediting program: | ACR |
| Assessment based on carbon crediting program documents valid as of: | 15 May 2022 |
| Date of final assessment: | 21 February 2024 |
| Score: | See next page |

Scores

| Project type | Score |
|---|-------|
| Landfill gas utilization | 5 |
| Improved forest management | 5 |
| Commercial afforestation and establishment of natural forests | |
| • in countries where cooking with non-renewable biomass is likely to take place (see Table 1 below) | 1 |
| • in countries where cooking with non-renewable biomass is not likely to take place (see Table 1 below) | 5 |

Assessment

Relevant scoring methodology provisions

Double issuance can occur indirectly through overlapping claims by different entities involved in mitigation projects. Indirect overlaps between projects can only occur in cases where projects, in calculating their emission reductions or removals, include emissions sources that occur at other sites than where the project is implemented. This risk is only applicable to some project types. The following table provides examples of project types with or without a risk of indirect overlaps:

| Project types with potential indirect overlaps between projects | Project types without potential indirect overlaps between projects |
|---|---|
| <ul style="list-style-type: none"> • Landfill gas utilization • Renewable electricity generation • Biomass use • Composting | <ul style="list-style-type: none"> • Landfill gas flaring • Avoidance of N₂O from nitric or adipic acid production • Energy efficiency improvements in thermal on-site applications |

For project types for which this risk is not relevant, the score is 5. For other project types, the scoring depends on the carbon crediting programs’ procedures to address this risk. The scoring approach for carbon crediting program procedures to avoid indirect overlaps between projects is as follows:

| Program requirements | Score |
|--|-------|
| The program only credits those types of projects for which overlaps between projects are very unlikely to occur | 5 |
| The program has robust provisions in place that effectively identify and avoid overlaps between projects registered within the program <i>and</i> projects registered under other programs (see principles in the methodology) | 5 |
| The program has robust provisions in place that effectively avoid overlaps between projects registered <i>within</i> the same program | 3 |
| The program does not have robust provisions in place to avoid indirect overlaps between projects | 1 |

Information sources considered

- 1 The American Carbon Registry Standard. Requirements and specifications for the quantification, monitoring, reporting, verification, and registration of project-based GHG emissions reductions and removals. Version 7.0, December 2020, available at https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard/acr-standard-v7-0_final_dec2020.pdf
- 2 ACR Terms of Use, July 2020, available at <https://americancarbonregistry.org/how-it-works/membership/acr-terms-of-use/acr-terms-of-use-july-2020-clean.pdf>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 10.A “Policies to Prevent Double Issuance and Double Use of Offsets”, pages 57-58: “Double issuance occurs when more than one unique unit is

issued for the same emissions reduction or removal, within the same program/registry or involving concurrent issuance under more than one program(s)/registry(ies). ACR has rules and procedures in place to mitigate the risk of double issuance, including checks of duplicate registration under other programs and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another.

Double use refers to either 1) an instance in which a single GHG reduction or removal is sold to more than one entity at a given time (also referred to as double selling) due to double issuance or fraudulent sales practices, which may or may not be detectable, or 2) an instance in which an issued unit is used by the same buyer toward more than one target (e.g., under systems that are not linked, do not coordinate, or may have inconsistent rules for reporting and/or retirement).

To prevent double use, ACR requires execution of ACR's legal Terms of Use (ToU) Agreement by authorized account representatives, clear proof of ownership upon registration, tracking of ownership of credits within the registry by serial number and account, and an attestation prior to each issuance of unique, uncontested ownership and legal rights to the emissions reductions as well as that no emissions reductions issued by and registered on ACR have been serialized, registered, retired or otherwise transacted on another registry and/or by another standard nor have they been transferred, retired or otherwise used or disposed of other than as duly recorded on the ACR registry."

Provision 2 Source 1, section 10.A1 "Projects Registered on ACR and Other Voluntary or Compliance GHG Programs", page 58: "ACR allows for offset project registration simultaneously on ACR and other voluntary or compliance GHG programs or registries in only two circumstances: 1) the simultaneous registration is disclosed and approved by both programs/registries, including explicitly through regulation, and 2) offsets issued for the same unique emissions reductions (project boundary and vintage) do not reside concurrently on more than one registry.

To prevent double issuance and double use of offsets for projects registered simultaneously on ACR and another GHG program, 1) offsets representing the same emissions reduction must be publicly canceled from one registry before they can be converted and re-issued on another registry or 2) offsets can be issued to a project by both programs as long as the registration of the project under more than one program is disclosed in writing to the GHG program and the verifier, and the offset represents unique emissions reductions in terms of location (project boundary) and vintage."

Provision 3 Source 1, section 10.A2 "Transferred Projects Previously Registered on ACR and Other Voluntary or Compliance GHG Programs or Registries", page 58: "For projects transferring from another GHG program to ACR, the project must be validated and verified by an ACR-approved VVB to comply with the ACR Standard and relevant methodology. To avoid double issuance and double use of the same GHG reduction or removal, any offsets that had been issued that were not transferred, sold, or retired must be canceled from the other program's registry before conversion and re-issuance by ACR. For projects transferring from ACR to another GHG program, Project Proponents must cancel from ACR all offsets that have not been transferred, sold, or retired to allow for conversion and re-issuance of offsets by the other GHG program on its registry."

Assessment outcome

The carbon crediting program's approach to avoid indirect overlaps between projects is assigned a score as follows:

Commercial afforestation & Establishment of natural forests:

- in countries where cooking with non-renewable biomass is likely to take place (see Table 1 below): 1
- in countries where cooking with non-renewable biomass is not likely to take place (see Table 1 below): 5
- Improved forest management: 5

Landfill gas utilization: 5

Justification of assessment

Among the project types assessed, the project types commercial afforestation, establishment of natural forests, improved forest management and landfill gas utilization are eligible under ACR.

For **landfill gas utilization projects**, the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented; however, there is no known practice by carbon crediting programs to issue carbon credits to other entities for these emission reductions. Under this project type, the owner of the landfill gas project may receive carbon credits for generating electricity with the captured gas or for selling the gas, thereby displacing the use of fossil fuels at other sites. An indirect overlap leading to double issuance could theoretically occur if the user of the electricity or the gas claims the emission reductions from *using* the electricity or gas as an end consumer while carbon credits are also issued for capturing and utilizing the gas at the supply side. Moreover, given that landfill gas utilization displaces the fossil fuels, it is theoretically possible that carbon credits could be issued to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers or users for reducing or stopping fossil fuel production or use. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions. For this reason, these project types are also assigned a score of 5.

For **commercial afforestation, establishment of natural forest and improved forest management projects**, indirect overlaps could occur in various ways. First, indirect overlaps could occur with jurisdictional REDD+ activities. However, such overlaps are not yet addressed under the CCQI scoring methodology and are therefore not considered in this assessment. Second, indirect overlaps could occur with projects that claim emission reductions or removals from enhancing the use of biomass from the respective land areas. These projects may use the biomass in different ways: as fuel, such as projects using biomass for power generation; as feedstock, such as projects using biomass instead of fossil fuels to produce plastics, or to store the carbon, such as biomass energy carbon capture and storage (BECCS) or the storage of carbon in woody building materials. This risk applies to all forestry project types, with the exception of establishment of natural forest where biomass may not be extracted for commercial purposes. However, any extraction of biomass from the project area would imply a decline in the amount of biomass stored in the land area, and thus be deducted from future issuances (or accounted for under non-permanence provisions). This form of overlap would thus not lead to double issuance. Third, indirect overlaps could occur with projects that reduce the use of non-renewable biomass, such as efficient cookstove projects or household

biodigester projects. If such projects are implemented in proximity to the land areas of the forestry project, both projects may claim the emission reductions or removal from the same enhancement or preservation of carbon stocks. This risk applies to all forestry project types.

For these three project types, the scoring therefore depends on the carbon crediting program's provisions to address the risk of indirect overlaps.

ACR addresses the risk of indirect overlaps through the following measures: First, ACR performs checks of duplicate registration under other programs and requirements for disclosure of other registrations, as well as for cancellation of the units on one registry prior to re-issuance on another (Provision 1). Second, a project may only be listed under another offset program, provided that there is no overlap in the project and boundary (Provision 2). Both measures do not sufficiently address the risk of overlapping claims between two separate projects which are registered with different programs (e.g. a commercial afforestation project being registered with ACR and a cookstove project registered under the VCS). For these reasons we assess that these provisions cannot be considered to robustly avoid indirect overlaps between projects. Hence, a score of 1 applies, with the exception of some projects for which a further differentiation is made as explained below.

For forestry projects, overlap risks only apply in countries where non-renewable biomass is used for cooking. Where this is not the case, the risk of overlaps is deemed to be low. This is especially relevant for projects that take place in industrialized countries where cooking with non-renewable biomass is highly uncommon. Scoring is hence further differentiated by host country to reflect these circumstances. To identify countries where cooking with non-renewable biomass is likely to take place, we – as a proxy – assessed project databases of ACR, CAR, CDM, GS and VCS for cookstove and biodigester projects. For countries, where we identified cookstove and biodigester projects we assess that cooking with non-renewable biomass is likely to take place (for biodigester projects we did not consider projects where the use of biogas for cooking replaces fossil fuels). Hence, for these countries a risk of overlapping claims is deemed relevant and a score of 1 is assigned. For projects in other countries we deem the risk to be not relevant and assign a score of 5.

The results of the assessments of the project databases of ACR, CAR, CDM, GS and VCS are presented in Table 1. As the ACR quantification methodology for improved forest management assessed by CCQI is only eligible in the US, a score of 5 applies for the project type.

Table 1 Countries with efficient cookstove and/or household biodigester projects

| Country | | Country | |
|---------|-----|---------|-----|
| AGO | Yes | LSO | Yes |
| BGD | Yes | LBR | Yes |
| BEN | Yes | MDG | Yes |
| BOL | Yes | MWI | Yes |
| BRA | Yes | MLI | Yes |
| BFA | Yes | MEX | Yes |
| BDI | Yes | MOZ | Yes |
| KHM | Yes | MMR | Yes |
| CMR | Yes | NAM | Yes |
| TCD | Yes | NPL | Yes |
| CHN | Yes | NIC | Yes |
| COL | Yes | NGA | Yes |
| COM | Yes | PNG | Yes |
| COD | Yes | PAK | Yes |
| CIV | Yes | PER | Yes |
| DOM | Yes | RWA | Yes |
| SLV | Yes | SEN | Yes |
| ERI | Yes | SLE | Yes |
| ETH | Yes | SOM | Yes |
| FJI | Yes | ZAF | Yes |
| GHA | Yes | SDN | Yes |
| GTM | Yes | TZA | Yes |
| GIN | Yes | THA | Yes |
| GNB | Yes | TGO | Yes |
| HTI | Yes | UGA | Yes |
| HND | Yes | VUT | Yes |
| IND | Yes | VNM | Yes |
| KEN | Yes | ZMB | Yes |
| LAO | Yes | ZWE | Yes |

Annex: Summary of changes from previous assessment sheet versions

The following table describes the main substantive changes implemented in comparison to the assessment from 08 November 2022.

| Topic | Rationale |
|---|--|
| Scores | Scores and justification have been amended to accommodate the following new project types: commercial afforestation, and improved forest management. |
| Score change for the project type establishment of natural forest | The assessment was updated to integrate further overlapping risks identified during assessing the new project types, commercial afforestation and improved forest management that also apply to the previously assessed project type establishment of natural forests. |
| | In the light of the new risks identified during the assessment the score was adapted following the differentiation in scores introduced for commercial afforestation and improved forest management. |
| Overview of countries with carbon market projects implementing efficient cookstoves or household biodigesters | A new table was added that provides an overview of countries with carbon market projects implementing efficient cookstoves or household biodigesters. The data in the table is used to identify whether risks of overlapping claims for forestry projects are relevant for the respective country. |