

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:	2.4.2: Carbon crediting program provisions for avoiding double claiming with NDCs
Carbon crediting program:	ACR
Assessment based on carbon crediting program documents valid as of:	15 May 2022
Date of final assessment:	08 November 2022
Score:	4

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Assessment

This sub-criterion is only applicable to carbon credits used for purposes for which double claiming with the host country NDC should be avoided.

Indicator 2.4.2.1

Relevant scoring methodology provisions

“The program either does not allow registering multi-country projects (i.e., projects which implement the mitigation measures in more than one country, such as under a programmatic approach) or, if the carbon crediting program allows registering multi-country projects, it has established provisions to identify for each carbon credit the relevant host country, through an attribute to each issued credit (e.g., in the serial number of the credit or through an identifier in the relevant registry).”

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 Operating Procedures, April 2022, available at https://americancarbonregistry.org/how-it-works/membership/acr-operating-procedures/acr-operating-procedures_april-2015.pdf.
- 3 Public registry reports, available at <https://americancarbonregistry.org/how-it-works/registry-reports>.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section B3: “ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including [...]
2. Serialization and tagging of issuances so that each offset credit is clearly associated with a specific project, country, issuance block and vintage and so that information for avoiding double counting can be assigned to each offset credit. Project information includes: [...]
- c. **The Host Country and geographical location** where the project is implemented”.
- Provision 2 Source 2, section 10.1: “The public reports from the AMERICAN CARBON REGISTRY include: [...]
- Projects.** This report lists information about all projects listed and registered on the AMERICAN CARBON REGISTRY. Information provided includes project name and ID, project developer, project type, project methodology/protocol, current crediting period start date, project status (e.g., New, Listed, Registered, Canceled, etc.), project

location, project VVB/VB, sustainable development goal(s), number of Offset Credits issued, project website, and links to download project documentation [...].

Project Credits Issued. This report lists all of the blocks of Offset Credits that have been issued for a specific project over specific reporting periods. The report displays the quantity of Offset Credits issued, serial numbers, date issued, vintage, project name and ID, project developer, project type, project methodology/protocol and version, indication of verified removals, project location, project VVB/VB, sustainable development goal(s), project website, and a link to project documentation, which include project verification reports.”

Assessment outcome

Yes (2 Points).

Justification of assessment

The program does not explicitly exclude multi-country projects, but the location and country where a project is implemented is provided in the registry: The overview of “projects” as well as “project credits issued”, “project credits retired” and “project credits cancelled” (source 3) includes a column indicating the project site location as well as a column indicating the project site country and the project site state (see also Provisions 1 and 2). The program therefore fulfils the indicator because the information is identifiable “through the project”.

Indicator 2.4.2.2

Relevant scoring methodology provisions

“The program either does not allow registering projects that are implemented in one country but may (partially) reduce emissions or enhance removals in other countries (e.g., in the case of a multi-country electricity grid) or it has established provisions to identify whether such situations occur and, if yes, to identify in which country each carbon credit’s associated emission reductions or removals occurred. For each carbon credit, the country where the carbon credit’s associated emission reductions or removals occurred is identifiable, either through an attribute to each issued credit (e.g., in the serial number of the credit or through an identifier in the relevant registry).”

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 Methodology for the quantification, monitoring, reporting and verification of greenhouse gas emissions reductions and removals from the destruction of ozone depleting substances from international sources. Version 1.0, April 2021, available at <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/destruction->

[of-ozone-depleting-substances-ods-and-high-global-warming-potential-gwp-foam-from-international-sources](#)

Relevant carbon crediting program provisions

Provision 1 Source 1, provision 1.C Geographic Scope: “ACR accepts projects from worldwide locations, provided they conform to an ACR-approved methodology. Certain sectors and methodologies prescribe a narrower geographic scope (e.g. United States only).

Assessment outcome

Yes (1 Point).

Justification of assessment

ACR allows for the registration of project types where the emission reduction could occur in another country (provision 1). For example, for the destruction of ozone depleting substances, one methodology is available only for US domestically sourced ODS, while a separate methodology lays down the rules for the destruction of ODS from international sources (source 2). For internationally sourced ODS, credits are tagged according to the country of origin, which is where emission reductions occur.

Indicator 2.4.2.3

Relevant scoring methodology provisions

“The program has established provisions that allow project owners to voluntarily identify for each carbon credit the calendar year in which the associated emission reductions or removals occurred, and to assign to each issued carbon credit an attribute indicating the calendar year, ensuring that only one calendar year is assigned to each carbon credit

OR

The program has established provisions that require project owners to identify, for each carbon credit that is eligible to be used for purposes for which double claiming with the host country NDC should be avoided, the calendar year in which the associated emission reductions or removals occurred, and to assign to each issued carbon credit an attribute indicating the calendar year, ensuring that only one calendar year is assigned to each carbon credit.

In addition, the carbon crediting program has established provisions that require that carbon credits are allocated proportionally to calendar years based on when the project caused emission reductions or removals to occur.”

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 Operating Procedures, April 2022, available at https://americancarbonregistry.org/how-it-works/membership/acr-operating-procedures/acr-operating-procedures_april-2015.pdf
- 3 Public registry reports, available at <https://americancarbonregistry.org/how-it-works/registry-reports>
- 4 American Carbon Registry Monitoring Report Template, version 4, available at https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates/acr-monitoring-report-template_version-4.docx
- 5 Communication with ACR, October/November 2022

Relevant carbon crediting program provisions

- Provision 1 Source 1, section B3: “ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including [...]”
2. **Serialization and tagging of issuances so that each offset credit is clearly associated with a specific project, country, issuance block and vintage** and so that information for avoiding double counting can be assigned to each offset credit. Project information includes:
- a. A description of the project, including information on the mitigation technologies;
 - b. The emission sources, sinks, and greenhouse gases included in the calculation of the project’s emission reductions or removals;
 - c. The Host Country and geographical location where the project is implemented;
 - d. The Project Proponent;
 - e. **The year(s) in which the emission reduction occurred (vintage)**”.
- Provision 2 Source 1, section 6.A.7: “The vintage year of the ERTs correspond to the year the emissions reductions or removals occurred.”
- Provision 3 Source 2, section 6.1: “Each Offset Credit has a unique serial number, which shall contain codes embedded in the number that include the project ID, the geographic location of the project, and the vintage of the Offset Credit.”
- Provision 4 Source 2, section 6.1, Table 2:

Identifier	Display	Data Type	Length	Range of Codes	Comments
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Vintage	4	Numeric	4	YYYY	Year in which emissions reduction activity took place (for ERTs) or the latest year covered by the reporting period (for ROCs)
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Provision 5 Source 4, section VI: “State the net GHG emission reductions/removals for the reporting period; **provide the allocation of net GHG emission reductions/removals contributions to vintages, if applicable**; provide a summary calculation showing the net GHG emission reduction/removal calculation as required by the relevant methodology”.

Assessment outcome

The second of the two options is fulfilled (2 Points).

The carbon crediting program has not established explicit provisions that require that carbon credits are allocated proportionally to calendar years (0 Points).

Justification of assessment

The program requires project owners to identify for each carbon credit the calendar year in which the associated emission reductions or removals occurred (Provisions 1, 3, 4 and 5). The serial number attached to each ERT identifies, amongst other things, the vintage year of the GHG reductions (Provision 1). This is also documented in the operating procedures (Source 2/Provision 3). In the registry, each carbon credit is assigned to one calendar year (Source 3). Emission reductions or removals should be allocated to calendar years according to the year in which the emission reduction or removal took place (Provisions 3, 4 and 5). The registry system will not let a project developer to request credit issuance with a period that spans more than one calendar year (Source 5).

Therefore, the second option is fulfilled **for all project types that are assessed as of November 2022**.

However for other project types, this methodology might not be sufficient as the vintage may be unclear. For ODS destruction for example, emissions are credited over a long period because ODS is assumed to leak out of equipment slowly in the baseline. This means the credited reductions may “actually” occur in the future. For ODS projects, while the emission reductions calculated in the single reporting period are inclusive of the projected avoided emissions for the full crediting period, ACR allocates these emission reductions to the vintage year associated with the dates of the reporting period during which the destruction occurred (Source 5). In this case, no robust methodology is in place for identifying, for each carbon credit that is eligible to be used for purposes for which double claiming with the host country NDC should be avoided, the calendar year in which the associated emission reductions or removals occurred.

Indicator 2.4.2.4

Relevant scoring methodology provisions

“The program has established provisions for project owners or the program to obtain and publicly report Article 6 authorizations from host countries (or, where applicable, the country where the project will cause emission reductions or removals), consistent with relevant decisions under the Paris Agreement.”

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

Relevant carbon crediting program provisions

Provision 1 Source 1, section 10.B: “In the global carbon market context in which all signatories to the Paris Agreement (“Parties”) have emissions reduction target(s) / pledge(s) / contributions / commitments (collectively “targets”) as formulated in the nationally determined contributions (NDCs), and air carriers (“non-Parties”) have an offsetting obligation under the International Civil Aviation Organization (ICAO) Carbon Reduction Offsetting Scheme for International Aviation (CORSA), double claiming occurs when two or more Parties or non-Parties claim the same emission reduction/removal (ERR) to comply with their mitigation targets/pledges/commitments/obligations.¹ Transparent reporting and accounting procedures at both the national and international level will be developed to track emissions reductions transferred to / from other Parties or non-Parties to meet targets. In these instances, as required by the UNFCCC, a corresponding adjustment may be made by the host country of the emissions reduction activity to account for the transfer of the emissions reduction for use by another Party towards its NDC or by airlines towards their COR-SIA obligation. The adjustment will be applied, as determined by the UNFCCC, to the host country national GHG inventory or NDC, and will also be reported by the receiving Party. To mitigate the risk of double claiming in these instances, **ACR will require notification by the owner of the emissions reductions of the export of any emissions reductions for these purposes as well as a formal host country letter of assurance and authorization of the use of the emissions reductions by another Party**, including for the CORSA. ACR will post publicly on the registry the national UNFCCC focal point letter of assurance and

¹ In conformance with recommendations agreed by the EDF-High Tide Foundation steering committee on “Mobilizing Voluntary Carbon Markets to Drive Climate Action” the requirements in 10.B do not currently apply to offset credits sold to meet voluntary targets, pledges, contributions or commitments. ACR will reconsider this requirement at a future date after UNFCCC negotiations related to Article 6 provisions of the Paris Agreement have clarified requirements for accounting for and reporting corresponding adjustments and once infrastructure and processes are in place for host countries to both issue letters of authorization to offset owners and registries and to make required accounting adjustments in reporting to the UNFCCC.

authorization of transfers / cancelations of emissions reductions towards a mitigation target / obligation. ACR will make public on the registry all retirements / cancellation of units toward a CORSIA offsetting obligation. In addition, ACR will report such information to ICAO and to host countries as required to confirm that the units are included in national emissions reporting to facilitate GHG accounting reconciliation via adjustments, as determined by the UNFCCC.”

Provision 2 Source 1, section B.3: “ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including: [...]

g. An indication whether the project’s mitigation activities, emission reductions, and/or removals are covered by the Host Country NDC targets (sector and target years);

h. A **Letter of Assurance and Authorization from the Host Country, which will be posted on the registry once obtained;**

i. Designation of the credits as Qualified for CORSIA once the Host Country Letter of Assurance and Authorization has been obtained; and

j. Notice that the Host Country has applied an adjustment once evidence obtained.

Provision 3 Source 1, section B.4: “To avoid double claiming with progress towards mitigation targets pledged by countries in their Paris Agreement Nationally Determined Contributions (NDCs), **countries must authorize the use of offset credits by aeroplane operators under the CORSIA and provide assurance that they will report the use to the UNFCCC and make corresponding accounting adjustments.** Countries then shall report to the UNFCCC and make adjustments as required under the Paris Agreement, and ACR will seek evidence that pledged adjustments were made.”

Provision 3 Source 1, section B.4, figure 1: Steps for units to be qualified by ACR for use in CORSIA and following paragraphs:

“ACR plans to delegate some steps, as indicated, to Project Proponents, noting that ACR will review and approve all determinations and associated documentation. **The information and documentation will also be reviewed and confirmed by validation and verification bodies (VVBs) as part of the validation and verification process.** Below are details for the numbered steps in Figure 1.

1. If the nature, scope or applicable period of an NDC target is not clear, the Project Proponent and ACR may further evaluate information communicated by the Host Country to the UNFCCC and/or seek clarification from the Host Country government UNFCCC Focal Point.

2. **The Host Country Letter of Assurance and Authorization will be obtained from the country’s UNFCCC Focal Point** to qualify units for CORSIA post 2020.

ACR will make all Letters of Assurance and Authorization publicly available by posting on the registry. For post 2020 units, ACR will only qualify offset credits for CORSIA once such a letter is received, only to any limit established in the letter and as long as all other ACR and CORSIA requirements are met including contributing to

the ACR CORSIA Buffer Pool and executing the CORSIA Double Claiming Risk Mitigation Agreement as further described below.

A sample Letter of Assurance and Authorization is included as Exhibit 1 to this Appendix B.

The letter should explicitly:

Identify the specific project and activity or group of project activities and acknowledge that the project may reduce emissions or enhance removals in the country;

Acknowledge that ACR has issued, or intends to issue, offset credits for [a stated volume in CO₂-e] emission reductions or removals that occur within the country²;

Authorize the use of the project's emission reductions or removals, issued as offset credits, by aeroplane operators in order to meet offsetting requirements under CORSIA;

Declare that the country will not use the project's associated emission reductions or removals to track progress towards, or for demonstrating achievement of, its NDC and will account for their use by aeroplane operators under CORSIA by applying relevant adjustments in the structured summary of the country's biennial transparency reports, as referred to in paragraph 77, sub-paragraph (d), of the Annex to decision 18/CMA.1, and consistent with relevant future decisions by the CMA; and

Declare that the country will report on the authorization and use of the project's emission reductions for the CORSIA [or by other countries] in a transparent manner in the country's biennial transparency report submitted under Article 13 of the Paris Agreement.

The letter may also:

Authorize the use of the project's emission reductions or removals, issued as offset credits, by other countries towards achieving their NDCs;

Provide a limit for the maximum number of the project's emission reductions or removals, issued as offset credits, that the country authorizes for use, including any limits on the time period over which the country provides such authorization; and

Include a request to ACR to provide information to the country on the use of the offset credits.

3. ACR requires Project Proponent to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meeting its NDC ("compensation mechanism"). Project Proponents must

² To ensure consistency in UNFCCC reporting and assurance of adjustments for CORSIA units issued, if the GWP value used by a country in its NDC reporting (in particular in its first NDC report) is different than the value used by ACR to calculate the volume of offset credits issued, ACR will convert the offset credit volume to the volume that should be adjusted using the same GWP values the country uses in its NDC reporting and provide that number to the country.

present, in a form acceptable to ACR, a mechanism to compensate for double claims of emission reductions units between aeroplane operators for the CORSIA and host countries towards NDC achievement. Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ACR within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.

Options include:

- i. Evidence of the application of the adjustment, as detailed in the Host Country Letter of Assurance and Authorization, in country reports to the UNFCCC or, if in between UNFCCC reporting periods, by other means (e.g. an irrevocable electronic certificate, such as from a distributed ledger registry system, from the Host Country indicating that the required adjustments have been applied within the relevant accounting system and an attestation that such adjustments will be reported to the UNFCCC in the next reporting period), before the unit could be cancelled for use by an aeroplane operator for CORSIA.
- ii. A guarantee, in a form acceptable to ACR, that any double-claimed units (those for which an adjustment has not been made) will be replaced with a volume of ICAO-eligible credits corresponding to the number of units that were double claimed by the Host Country ("Re-placement Contribution"). These units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.
- iii. A guarantee, in a form acceptable to ACR, that the guarantor will fully financially compensate ACR for the procurement of a Replacement Contribution for the double-claimed units. The Replacement units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.
- iv. Contribution to the ACR CORSIA Double Claiming Buffer Pool and execution of the CORSIA Double Claiming Risk Mitigation Agreement which details the requirement of the Project Proponent to replace the double-claimed credits with a volume of replacement CORSIA-qualified credits corresponding to the number of units that were double claimed by the Host Country. These units must be ACR units that have not been sold or otherwise committed or other CORSIA-qualified credits as approved by ACR. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions.

The CORSIA Double Claiming Buffer Pool (“CORSIA Buffer Pool”) contribution volume will be a percentage of the project’s credits as determined by the published Organization for Economic Co-Operation (OECD) Prevailing Country Risk Classification of the Host Country at the time of requesting CORSIA qualification for the units, whereby a rating of 1-2 = 5% contribution, 3-4 = 20% contribution, 5-6 = 30% contribution and 7 = 40% contribution. Buffer pool contributions will be refunded once the corresponding adjustment has been applied.

4. ACR Annual Reporting on the qualification and use of Units for CORSIA. ACR will publish annual reports that provide aggregated information related to the issuance, CORSIA qualification and cancellation of offset credits. ACR will publish these reports within six months after the end of a calendar year and will transmit the reports to ICAO and to all countries in which the emission reductions or removals associated with issued and CORSIA qualified offset credits occurred. Reported information will include:

(i) Quantity of CORSIA qualified offset credits issued by country, calendar year, cancelled for CORSIA and cancelled for other purposes.

(ii) Quantity of CORSIA qualified offset credits cancelled by aeroplane operator for each CORSIA compliance period

(iii) The maximum number of emission reductions or removals from ACR projects authorized by countries for use by other countries or entities, by country and calendar year.

5. Obtaining evidence of the application of adjustments. ACR will take action to obtain evidence of the appropriate application of adjustments from the Host Country of emission reductions or removals in the country’s biennial transparency reports to the UNFCCC. The reports should clearly reference the offset credits (e.g., using unique identifiers or serial numbers or a specific reference to the authorization letter) for which the country has applied the adjustments. Once evidence has been obtained, ACR will post such evidence on the registry and indicate that the adjustment has been made.

6. Remedy for CORSIA Double Claim. In the event that the adjustment has not been made or credible evidence cannot be obtained within a year after the adjustment was due to be reported to the UNFCCC by the Host Country, Project Proponent shall compensate for the double claimed volume following its selected compensation mechanism.

ACR will inform the UNFCCC and ICAO accordingly and will evaluate whether to cease qualifying offset credits from the respective country for CORSIA.”

Provision 4 Source 1, Exhibit 1 to Appendix B: Example host country letter of assurance and authorization.

Assessment outcome

Yes (4 Points).

Justification of assessment

The above documentation specifies that the program has established provisions for the program to obtain and publicly report Article 6 authorizations from host countries consistent with relevant decisions under the Paris Agreement. The footnote in provision 1 explains, the program's requirements do not currently apply to offset credits sold to meet voluntary targets, pledges, contributions or commitments. The indicator is therefore still considered to be fulfilled, as ACR has the necessary procedures in place for those credits that are authorized for Article 6 purposes (e.g. for CORSIA).

Indicator 2.4.2.5

Relevant scoring methodology provisions

"The program has established provisions that require its own employees, sub-contractors, as well as project owners to commit to anti-corruption policies and practices with regards to obtaining Article 6 authorization."

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

Relevant carbon crediting program provisions

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Assessment outcome

No (0 Points).

Justification of assessment

No relevant provisions were identified in the program documents so that the indicator is not fulfilled.

Indicator 2.4.2.6

Relevant scoring methodology provisions

"The program has established provisions for reporting relevant information on authorized carbon credits to the host country, including on the cancellation or use of authorized carbon credits."

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

Relevant carbon crediting program provisions

Provision 1 Source 1, section 10.B: “Transparent reporting and accounting procedures at both the national and international level will be developed to track emissions reductions transferred to / from other Parties or non-Parties to meet targets. In these instances, as required by the UNFCCC, a corresponding adjustment may be made by the host country of the emissions reduction activity to account for the transfer of the emissions reduction for use by another Party towards its NDC or by airlines towards their CORSIA obligation. The adjustment will be applied, as determined by the UNFCCC, to the host country national GHG inventory or NDC, and will also be reported by the receiving Party. To mitigate the risk of double claiming in these instances, ACR will require notification by the owner of the emissions reductions of the export of any emissions reductions for these purposes as well as a formal host country letter of assurance and authorization of the use of the emissions reductions by another Party, including for the CORSIA. ACR will post publicly on the registry the national UNFCCC focal point letter of assurance and authorization of transfers / cancelations of emissions reductions towards a mitigation target / obligation. ACR will make public on the registry all retirements / cancelation of units toward a CORSIA offsetting obligation. In addition, **ACR will report such information to ICAO and to host countries as required to confirm that the units are included in national emissions reporting to facilitate GHG accounting reconciliation via adjustments**, as determined by the UNFCCC.”

Provision 2 Source 1, section B.4: “The letter may also:

Authorize the use of the project’s emission reductions or removals, issued as offset credits, by other countries towards achieving their NDCs;

Provide a limit for the maximum number of the project’s emission reductions or removals, issued as offset credits, that the country authorizes for use, including any limits on the time period over which the country provides such authorization; and

Include a request to ACR to provide information to the country on the use of the offset credits.”

Assessment outcome

Yes (2 Points).

Justification of assessment

As indicated above (Provision 1), ACR will report information on authorized carbon credits to the host country, including on the cancellation or use of authorized carbon credits. The indicator is therefore fulfilled.

Indicator 2.4.2.7

Relevant scoring methodology provisions

“The program has established provisions to obtain evidence of the appropriate application of adjustments from the host country (or, where applicable, the country in which the carbon credit’s associated emission reduction or removal occurred).”

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

Relevant carbon crediting program provisions

Provision 1 Source 1, section B.4: “To avoid double claiming with progress towards mitigation targets pledged by countries in their Paris Agreement Nationally Determined Contributions (NDCs), countries must authorize the use of offset credits by aeroplane operators under the CORSIA and provide assurance that they will report the use to the UNFCCC and make corresponding accounting adjustments. **Countries then shall report to the UNFCCC and make adjustments as required under the Paris Agreement, and ACR will seek evidence that pledged adjustments were made.**”

Provision 2 Source 1, section B.4: “ACR requires Project Proponent to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meeting its NDC (“compensation mechanism”). Project Proponents must present, in a form acceptable to ACR, a mechanism to compensate for double claims of emission reductions units between aeroplane operators for the CORSIA and host countries towards NDC achievement. Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ACR within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.

Options include:

- i. **Evidence of the application of the adjustment, as detailed in the Host Country Letter of Assurance and Authorization, in country reports to the UNFCCC or, if in between UNFCCC reporting periods, by other means (e.g. an irrevocable electronic certificate, such as from a distributed ledger registry system, from the Host Country indicating that the required adjustments have been applied within the relevant accounting system and an attestation that such adjustments will be reported to the UNFCCC in the next reporting period), before the unit could be cancelled for use by an aeroplane operator for CORSIA.**

Provision 3 Source 1, section B.4: “Obtaining evidence of the application of adjustments. **ACR will take action to obtain evidence of the appropriate application of adjustments**

from the Host Country of emission reductions or removals in the country's biennial transparency reports to the UNFCCC. The reports should clearly reference the offset credits (e.g., using unique identifiers or serial numbers or a specific reference to the authorization letter) for which the country has applied the adjustments. Once evidence has been obtained, ACR will post such evidence on the registry and indicate that the adjustment has been made.”

Assessment outcome

Yes (2 Points).

Justification of assessment

The above documentation specifies that ACR will obtain evidence of the appropriate application of adjustments from the host country (Provisions 1, 2 and 3). The indicator is therefore fulfilled.

Indicator 2.4.2.8

Relevant scoring methodology provisions

“The program has established provisions to qualify and earmark carbon credits as eligible for uses for which double claiming with the host country NDC needs to be avoided, once all relevant requirements have been satisfied.”

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 Public registry reports, available at <https://americancarbonregistry.org/how-it-works/registry-reports>.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 10.B: “Transparent reporting and accounting procedures at both the national and international level will be developed to track emissions reductions transferred to / from other Parties or non-Parties to meet targets. In these instances, as required by the UNFCCC, a corresponding adjustment may be made by the host country of the emissions reduction activity to account for the transfer of the emissions reduction for use by another Party towards its NDC or by airlines towards their CORSIA obligation. The adjustment will be applied, as determined by the UNFCCC, to the host country national GHG inventory or NDC, and will also be reported by the receiving Party. To mitigate the risk of double claiming in these instances, ACR will require notification by the owner of the emissions reductions of the export of any emissions reductions for these purposes as well as a formal host country letter of assurance and authorization of the use of the emissions reductions by another Party,

including for the CORSIA. ACR will post publicly on the registry the national UNFCCC focal point letter of assurance and authorization of transfers / cancelations of emissions reductions towards a mitigation target / obligation. **ACR will make public on the registry all retirements / cancelation of units toward a CORSIA offsetting obligation.** In addition, ACR will report such information to ICAO and to host countries as required to confirm that the units are included in national emissions reporting to facilitate GHG accounting reconciliation via adjustments, as determined by the UNFCCC.”

- Provision 2 Source 1, section B.3: “ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including: [...]
- g. An indication whether the project’s mitigation activities, emission reductions, and/or removals are covered by the Host Country NDC targets (sector and target years);
 - h. A Letter of Assurance and Authorization from the Host Country, which will be posted on the registry once obtained;
 - i. **Designation of the credits as Qualified for CORSIA** once the Host Country Letter of Assurance and Authorization has been obtained; and
 - j. Notice that the Host Country has applied an adjustment once evidence obtained.

Assessment outcome

Yes (1 Point).

Justification of assessment

ACR has provisions in place to qualify and earmark carbon credits as eligible for CORSIA (Provisions 1 and 2) which is one form of use for which double claiming with the host country NDC needs to be avoided. In the registry (Source 2), the overview of credits issued includes a column “CORSIA qualified” which earmarks credits as eligible for uses for which double claiming with the host country NDC needs to be avoided. The indicator is therefore fulfilled.

Indicator 2.4.2.9

Relevant scoring methodology provisions

“The program has established provisions to cease qualifying and earmarking carbon credits as eligible for uses for which double claiming with the host country NDC needs to be avoided in the event that evidence for the appropriate application of corresponding adjustments cannot be obtained within two years after the country was due to provide information on the appropriate application of corresponding adjustments in according to decisions by the CMA.”

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 [Communication with ACR, September 2022.](#)

Relevant carbon crediting program provisions

Provision 1 Source 1, section B.4: “ACR requires Project Proponent to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meeting its NDC (“compensation mechanism”). Project Proponents must present, in a form acceptable to ACR, a mechanism to compensate for double claims of emission reductions units between aeroplane operators for the CORSIA and host countries towards NDC achievement. **Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ACR within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.**

Options include:

- i. Evidence of the application of the adjustment, as detailed in the Host Country Letter of Assurance and Authorization, in country reports to the UNFCCC or, if in between UNFCCC reporting periods, by other means (e.g. an irrevocable electronic certificate, such as from a distributed ledger registry system, from the Host Country indicating that the required adjustments have been applied within the relevant accounting system and an attestation that such adjustments will be reported to the UNFCCC in the next reporting period), before the unit could be cancelled for use by an aeroplane operator for CORSIA.
- ii. A guarantee, in a form acceptable to ACR, that any double-claimed units (those for which an adjustment has not been made) will be replaced with a volume of ICAO-eligible credits corresponding to the number of units that were double claimed by the Host Country (“Re-placement Contribution”). These units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the associated Replacement Contribution to mitigate the Host Country’s double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.
- iii. A guarantee, in a form acceptable to ACR, that the guarantor will fully financially compensate ACR for the procurement of a Replacement Contribution for the double-claimed units. The Replacement units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the associated Replacement Contribution to mitigate the Host Country’s double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.

- iv. Contribution to the ACR CORSIA Double Claiming Buffer Pool and execution of the CORSIA Double Claiming Risk Mitigation Agreement which details the requirement of the Project Proponent to replace the double-claimed credits with a volume of replacement CORSIA-qualified credits corresponding to the number of units that were double claimed by the Host Country. These units must be ACR units that have not been sold or otherwise committed or other CORSIA-qualified credits as approved by ACR. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions.

The CORSIA Double Claiming Buffer Pool ("CORSIA Buffer Pool") contribution volume will be a percentage of the project's credits as determined by the published Organization for Economic Co-Operation (OECD) Prevailing Country Risk Classification of the Host Country at the time of requesting CORSIA qualification for the units, whereby a rating of 1-2 = 5% contribution, 3-4 = 20% contribution, 5-6 = 30% contribution and 7 = 40% contribution. Buffer pool contributions will be refunded once the corresponding adjustment has been applied."

Provision 2 Source 1, section B.4: "6. Remedy for CORSIA Double Claim. In the event that the adjustment has not been made or credible evidence cannot be obtained within a year after the adjustment was due to be reported to the UNFCCC by the Host Country, Project Proponent shall compensate for the double claimed volume following its selected compensation mechanism.

ACR will inform the UNFCCC and ICAO accordingly and **will evaluate whether to cease qualifying offset credits from the respective country for CORSIA.**"

Assessment outcome

No (0 Points).

Justification of assessment

The above documentation specifies that ACR has provisions in place to address the case that evidence for the appropriate application of corresponding adjustments cannot be obtained within one year after the adjustment was due to be reported to the UNFCCC by the host country (Provisions 1 and 2). If compensation is necessary, ACR will evaluate whether to cease qualifying offset credits from the respective country for uses for which double claiming with the host country NDC needs to be avoided (Provision 2). The indicator is not considered as fulfilled though as ACR does not automatically cease qualifying and earmarking carbon credits as eligible if evidence for the appropriate application of corresponding adjustments cannot be obtained. In communication with them, ACR clarified that they "reserve the right" to no longer give credits to the country in question (Source 2).

Indicator 2.4.2.10

Relevant scoring methodology provisions

“The program has established robust provisions for replacing carbon credits for which the evidence of the appropriate application of corresponding adjustments cannot be provided within two years after the country was due to report on the application of corresponding adjustments in accordance with decisions by the CMA. The replacement provisions ensure that the relevant credits are only replaced by credits issued for emission reductions or removals that have been qualified by the program as eligible for uses for which double claiming with the host country NDC needs to be avoided.”

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

Relevant carbon crediting program provisions

- Provision 1 Source 1, section B.4: “ACR requires Project Proponent to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meeting its NDC (“compensation mechanism”). Project Proponents must present, in a form acceptable to ACR, a mechanism to compensate for double claims of emission reductions units between aeroplane operators for the CORSIA and host countries towards NDC achievement. **Compensation is required in the event that the adjustment has not been made or credible evidence cannot be obtained by ACR within a year after the adjustment was due to be reported to the UNFCCC by the Host Country.**”

Options include:

- i. Evidence of the application of the adjustment, as detailed in the Host Country Letter of Assurance and Authorization, in country reports to the UNFCCC or, if in between UNFCCC reporting periods, by other means (e.g. an irrevocable electronic certificate, such as from a distributed ledger registry system, from the Host Country indicating that the required adjustments have been applied within the relevant accounting system and an attestation that such adjustments will be reported to the UNFCCC in the next reporting period), before the unit could be cancelled for use by an aeroplane operator for CORSIA.
- ii. A guarantee, in a form acceptable to ACR, that any double-claimed units (those for which an adjustment has not been made) will be replaced with a volume of ICAO-eligible credits corresponding to the number of units that were double claimed by the Host Country (“Re-placement Contribution”). These units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the

associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.

- iii. A guarantee, in a form acceptable to ACR, that the guarantor will fully financially compensate ACR for the procurement of a Replacement Contribution for the double-claimed units. The Replacement units must be ACR units, or comparable CORSIA-qualified units as approved by ACR, that have not been sold or otherwise committed. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions. This guarantee could be from a reputable third-party, an entity such as the Multilateral Investment Guarantee Agency (MIGA) or an ACR-approved insurance mechanism.
- iv. Contribution to the ACR CORSIA Double Claiming Buffer Pool and execution of the CORSIA Double Claiming Risk Mitigation Agreement which details the requirement of the Project Proponent to replace the double-claimed credits with a volume of replacement CORSIA-qualified credits corresponding to the number of units that were double claimed by the Host Country. These units must be ACR units that have not been sold or otherwise committed or other CORSIA-qualified credits as approved by ACR. ACR will cancel the associated Replacement Contribution to mitigate the Host Country's double claim of emission reductions.

The CORSIA Double Claiming Buffer Pool ("CORSIA Buffer Pool") contribution volume will be a percentage of the project's credits as determined by the published Organization for Economic Co-Operation (OECD) Prevailing Country Risk Classification of the Host Country at the time of requesting CORSIA qualification for the units, whereby a rating of 1-2 = 5% contribution, 3-4 = 20% contribution, 5-6 = 30% contribution and 7 = 40% contribution. Buffer pool contributions will be refunded once the corresponding adjustment has been applied."

Provision 2 Source 1, section B.4: "6. Remedy for CORSIA Double Claim. **In the event that the adjustment has not been made or credible evidence cannot be obtained within a year after the adjustment was due to be reported to the UNFCCC by the Host Country, Project Proponent shall compensate for the double claimed volume following its selected compensation mechanism.**

ACR will inform the UNFCCC and ICAO accordingly and will evaluate whether to cease qualifying offset credits from the respective country for CORSIA."

Assessment outcome

Yes (2 Points).

Justification of assessment

ACR has established provisions for replacing carbon credits for which the evidence of the appropriate application of corresponding adjustments cannot be provided within two years after the

country was due to report on the application of corresponding adjustments. It requires compensation of such credits by the project proponent even after one year after the adjustment was due to be reported to the UNFCCC (Provisions 1 and 2). Relevant credits are only replaced by credits issued for emission reductions or removals that have been qualified by ACR as eligible for uses for which double claiming with the host country NDC needs to be avoided (Provision 2). The indicator is therefore fulfilled.

Indicator 2.4.2.11

Relevant scoring methodology provisions

“The program’s registry and project database system provides the following information:

- a. The country where each carbon credit’s associated emission reductions or removals occurred (which in some instances may be different from the host country);
- b. Whether Article 6 authorization has been obtained from the host country (or, where applicable, the country where the project will cause emission reductions or removals) and documentation of this authorization, consistent with relevant international decisions under the Paris Agreement;
- c. Whether a “first transfer”, as defined by the host country in accordance with paragraph 2b of the Article 6.2 guidance, has occurred in relation to the carbon credit;
- d. Whether the country has applied the necessary corresponding adjustment related to the use of the carbon credit;
- e. An attribute indicating whether the carbon credit has been earmarked by the program as eligible for uses for which double claiming with the host country NDC needs to be avoided.”

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 Operating Procedures, April 2022, available at https://americancarbonregistry.org/how-it-works/membership/acr-operating-procedures/acr-operating-procedures_april-2015.pdf.
- 3 Public registry reports, available at <https://americancarbonregistry.org/how-it-works/registry-reports>.
- 4 Communication with ACR, September 2022.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section B3: “ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including [...]
2. Serialization and tagging of issuances so that each offset credit is clearly associated with a specific project, country, issuance block and vintage and so that

information for avoiding double counting can be assigned to each offset credit. Project information includes: [...]

- c. The Host Country and geographical location where the project is implemented
- f. Any other information needed for the project to be unambiguously identified, and distinguished from other projects that may occur in the same location;
- g. An indication whether the project's mitigation activities, emission reductions, and/or removals are covered by the Host Country NDC targets (sector and target years);
- h. A Letter of Assurance and Authorization from the Host Country, which will be posted on the registry once obtained;
- i. Designation of the credits as Qualified for CORSIA once the Host Country Letter of Assurance and Authorization has been obtained; and
- j. Notice that the Host Country has applied an adjustment, once evidence obtained.

Provision 2 Source 2, section 10.1: "The public reports from the AMERICAN CARBON REGISTRY include: [...]"

Projects. This report lists information about all projects listed and registered on the AMERICAN CARBON REGISTRY. Information provided includes project name and ID, project developer, project type, project methodology/protocol, current crediting period start date, project status (e.g., New, Listed, Registered, Canceled, etc.), project location, project VVB/VB, sustainable development goal(s), number of Offset Credits issued, project website, and links to download project documentation [...].

Project Credits Issued. This report lists all of the blocks of Offset Credits that have been issued for a specific project over specific reporting periods. The report displays the quantity of Offset Credits issued, serial numbers, date issued, vintage, project name and ID, project developer, project type, project methodology/protocol and version, indication of verified removals, project location, project VVB/VB, sustainable development goal(s), project website, and a link to project documentation, which include project verification reports."

Assessment outcome

- a. Yes (1 Point).
- b. Yes (1 Point).
- c. No (0 Points).
- d. Yes (1 Point).
- e. Yes (1 Point).

Justification of assessment

The program's registry provides information on the country where each carbon credit's associated emission reductions or removals occurred (Source 3, Provisions 1 and 2). Requirement a. is therefore fulfilled.

In the registry, information on whether Article 6 authorization has been obtained from the host country also needs to be provided and this authorization needs to be documented (provision 1). Requirement b. is therefore considered to be fulfilled. For credits marked as *eligible* for CORISA in the registry, no such authorization is available in the registry yet (Source 3); their status changes to *qualified* once an authorisation is available (Source 4).

ACR does not require documentation of information on whether a "first transfer" has occurred. Requirement c. is therefore not considered to be fulfilled.

In the registry, information on whether the country has applied the necessary corresponding adjustment related to the use of the carbon credit needs to be provided (Provision 1). Requirement d. is therefore considered to be fulfilled. However, for those credits marked as eligible for CORISA in the registry, no such notice is available in the registry yet (Source 3).

The registry does not explicitly include an attribute indicating whether the carbon credit has been earmarked by the program as eligible for uses for which double claiming with the host country NDC needs to be avoided. However, ACR limits authorization for Article 6 purposes to CORSIA and includes in the registry a column titled "CORSIA qualified" which earmarks credits that are eligible for CORSIA (Source 3). Given that the vintage of these credits can be determined (i.e. whether they are issued for emission reductions after 31 December 2020) it can be indirectly derived whether any carbon credits for reductions or removals after 31 December 2020 are eligible for Article purposes. Requirement e. is therefore considered to be fulfilled.

Scoring results

According to the above assessment, the carbon crediting program receives 20 out of 25 achievable points. Applying the scoring approach in the methodology, this results in a score of 4.