

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

Criterion:	5.2 Transparency
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:	3.64

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Assessment

Indicator 5.2.1

Relevant scoring methodology provisions

“The program makes publicly available on its website the names and affiliations of all non-staff individuals or organizations serving in a professional capacity to support the administration of the program (e.g., members of the Board, advisory groups or expert committees).”

Information sources considered

- 1 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
- 2 Program website: Governance (<https://americancarbonregistry.org/about-us/Governance>), last accessed on 15 June 2022.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 7.D, page 47: “ACR may periodically establish Technical Committees for particular sectors (e.g., AFOLU), to provide independent advice on methodology acceptance, methodology modifications and project deviations, selection of peer reviewers, and related issues. The responsibilities of the Technical Committees include the following:
- Review proposed new methodologies and tools submitted to ACR for approval; Advise ACR on the selection of appropriate peer reviewers for a proposed new methodology or methodology revision;
 - Make final determinations in the event consensus on a particular methodological issue is not reached by the peer review team or between the peer reviewers and the methodology author;
 - Advise ACR on continuous improvements to its AFOLU standards, including issuance of new versions at appropriate intervals; and
 - Advise ACR on decisions to commission new methodologies and tools using internal resources.
 - ACR Technical Committees are constituted via calls for applications to select the most relevant experts.
- Provision 2 Source 1, section 7.B, page 46-47: “The revised methodology is provided to a team of independent subject matter experts for a blind scientific peer review process. ACR may consult the relevant ACR Technical Committee in the selection of reviewers. The lead reviewer compiles comments and recommendations from the peer review team and prepares a summary report. ACR delivers to the methodology author a peer review report, organized by section of the methodology, to which the author must respond by incorporating revisions and/or documenting justifications for the proposed

approach. Generally, several rounds of peer review are necessary. Timing and cost of peer review depends on the complexity, scope, and quality of the methodology and the availability of peer reviewers. The cost of peer review is borne by the methodology author.”

Provision 3 Source 1, section 7.B, page 47: “Scientific peer review teams are selected from a pool of potential reviewers with applicable subject matter expertise. ACR actively identifies and qualifies candidates for inclusion in this pool, and publicly solicits applications from interested parties. Applications are reviewed for sector expertise, GHG quantification experience, and impartiality. Throughout and after the peer review process, the experts selected for each review team remain unknown to the methodology author and the public.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The program website lists the name of the ERT Board of Managers. Names and affiliations of members of Technical Committees or other advisory groups or expert committees are not listed. In written correspondence, the program has stated that there are currently no standing advisory groups or technical committees, and the composition of such committees would be made publicly available. Therefore, the indicator is fulfilled.

Indicator 5.2.2

Relevant scoring methodology provisions

“Minutes of Board of Directors or Trustees meetings are publicly available on the program’s website.”

Information sources considered

1 Program website: Our team (<https://americancarbonregistry.org/about-us/team>), last accessed on 3 June 2022.

Relevant carbon crediting program provisions

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Assessment outcome

No (0 Points).

Justification of assessment

Minutes of Board or Trustee meetings are not publicly available on the program’s website.

Indicator 5.2.3

Relevant scoring methodology provisions

“The conflict-of-interest provisions identified in indicator 5.1.5 for non-staff individuals serving in a professional capacity to support the administration of the program (e.g., members of the Board, advisory groups or expert committees) and the code of conduct for staff and registry administrators identified in indicators 5.1.6 are publicly available on the program’s website.”

Information sources considered

- 1 Program website: Verification (<https://americancarbonregistry.org/carbon-accounting/old/carbon-accounting/verification>), last accessed on 15 June 2022.
- 2 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
- 3 Winrock Code of Conduct. Document issued in May 2021. Online available at: <https://code.winrock.org/code/>

Relevant carbon crediting program provisions

Provision 1 Source 2, section 1.K, page 15: “As a nonprofit organization that values its reputation for integrity, ACR requires that all management and staff adhere to its Code of Professional Conduct, which includes a strict and comprehensive policy against engaging in activities that present a conflict of interest. Accordingly, each director, officer, and staff member are required to regularly affirm that they are in compliance with this policy, that they avoid all conflicts of interest and take reasonable action to avoid circumstances that create the appearance of a conflict of interest. ACR staff are required to notify management immediately if any conflict-of-interest situations arise or come to their attention so the conflict can be appropriately mitigated.

In addition to its internal conflict of interest policy, ACR requires that its third-party registry service provider maintain and adhere to a strict conflict of interest policy and that all ACR-approved Validation and Verification Bodies (VVBs) execute an Attestation of Validation/Verification Body, which defines the VVB role and responsibilities and ensures technical capabilities of all staff and no conflicts of interest. ACR-approved VVBs must also execute and have approved by ACR a project-specific conflict of interest form for each project validation and/or reporting period verification for which they have been selected.”

Provision 2 Source 2, page 4: “At Winrock we follow the laws of every country where we work. We also follow this Code of Conduct. Upholding Winrock’s Code of Conduct is a responsibility shared by all involved in contributing to project results, providing solutions, and delivering on Winrock’s mission. The Code is mandatory and applies to each employee, Board member, volunteer, intern and fellow, and consultant (also known as our “workforce”).

In addition to the Code, we also have Operational Policies and Procedures, which are issued by operational groups (such as Finance, Human Resources or Operations) that apply to specific activities or roles. These Operational Policies and Procedures

implement business practices to achieve consistent results and efficiencies, and to minimize legal risks. Compliance with the Operational Policies and Procedures also is a mandatory condition of employment.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The code of conduct including conflict-of-interest provisions are publicly available on the Winrock website. Therefore, the indicator is fulfilled.

Indicator 5.2.4

Relevant scoring methodology provisions

“The program defines and publicly discloses the level at which activities are allowed under the program (e.g., project-based, program of activities, etc.) and scope of eligible activities (e.g., which sectors, project types, or geographic locations are or are not included within the scope of the program).”

Information sources considered

- 1 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
- 2 Program website: Carbon Accounting (<https://americancarbonregistry.org/carbon-accounting>), last accessed on 17 June 2022.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 1.C, page 12: “SCOPE: 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).
- Provision 2 Source 1, section 1.D, page 13: “SCOPE: GREENHOUSE GASES AND PARTICULATE MATTER. ACR registers emission reductions and/or removal enhancements of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons, sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), and black carbon. ACR’s scope also includes destruction of Ozone-Depleting Substances (ODS) listed in Annexes A, B, C, and E of the Montreal Protocol.”³
- Provision 3 Source 1, section 1.D, page 13: “SCOPE: PROJECT TYPES

ACR accepts all projects validated and verified against an ACR-approved methodology, provided they comply with the current version of the ACR Standard. ACR-approved methodologies include:

- § Methodologies developed by ACR and approved through the public consultation and scientific peer review process;
- § Modifications of existing ACR methodologies, provided such modifications have been approved by ACR per requirements found in Chapter 7; and
- § New methodologies developed by external authors and approved by ACR through ACR’s methodology development process described in Chapter 7.”

Provision 4 Source 1, section 1.E.1, page 13: “Renewable Energy and Energy Efficiency Projects. ACR will register GHG reductions from renewable energy and energy efficiency projects if all of the following criteria are met:

- The project displaces direct emissions by reducing the consumption of fossil fuels at a facility that the Project Proponent owns or controls, or for which the facility owner has assigned the Project Proponent clear and uncontested offsets title. Examples are biomass co-firing with coal, biogas used to displace natural gas, and energy efficiency projects that reduce natural gas use;
- The project meets additionality and other requirements of the ACR Standard;
- The GHG reductions have not been used to meet a regulatory compliance obligation under a binding limit;
- Under jurisdictional (i.e. federal, state, provincial, etc.) regulations, the project does not take place at a regulated source; and
- The project has not been counted toward a mandatory renewable energy obligation (such as a renewable portfolio standard) obligation or claimed any other voluntary renewable energy incentive (such as renewable energy credits).”

Provision 5 Source 1, section 1.E.2, page 14: “Scope Exclusions

The following scope exclusions apply under the ACR program:

- Projects that do not meet all ACR eligibility criteria, including projects that convert and/or clear native ecosystems to generate carbon offsets;
- Renewable energy and energy efficiency projects unless meeting all criteria above;
- International project-level REDD (Reducing Emissions from Deforestation and Degradation) and forestry projects from REDD+ countries. The growing international implementation of land-based sectoral GHG accounting and crediting and/or results-based finance (REDD+) greatly increases the risk of double claiming project-based offset credits within a sectoral crediting scheme; and

- Projects quantifying energy or life-cycle GHG accounting-based indirect emissions reductions and removals.”

Provision 6 Source 1, section 1.A, page 12: “ACR operates a transparent online registry system for members to register projects and record the issuance, transfer, and retirement of serialized, project-based, and independently verified offsets. ACR’s registry system records transactions directly negotiated between buyers and sellers; it is not an exchange. Offset transactions take place outside of ACR, over-the-counter or on exchanges, and are tracked on ACR through the unique serial numbers assigned to every offset.”

Provision 7 Source 2: “ACR only registers project-based carbon offset tons that are real, additional, permanent and independently verified.

SCOPE

ACR credits project-level emissions reductions / removals for the following scopes as defined by the American National Standards Institute (ANSI), the body which accredits and oversees Validation and Verification Bodies for ACR. ACR scope exclusions are detailed in the ACR Standard.

1. GHG emission reductions from fuel combustion

- Renewable Energy Production: (hydropower, biomass energy, biomass fuels, geothermal power, solar power, wind energy, fuel cell)
- Energy Efficiency Improvements: (fuel switching, waste heat recovery, cogeneration)
- Transportation

2. GHG emission reductions from industrial processes (non-combustion, chemical reaction, fugitive, other)

- Ozone Depleting Substances Destruction
- SF6 replacement
- SF6 emission avoidance
- HFC destruction/decomposition
- PFC anode effect mitigation
- Production of nitric acid and adipic acid
- Reduced emissions from destruction of N2O in manufacturing

3. Land Use, Land Use Change and Forestry

- Sequestration of carbon due to afforestation, avoided deforestation, sustainable forest management, forest products)
- Soil carbon sequestration (no-till, grass cover)

4. Carbon Capture and Storage

- Emissions sources that are injected into underground geological formations (e.g. abandoned oil and gas reservoirs, saline aquifers, or unminable coal seams)

5. Livestock

- Methane Collection and Destruction
- Livestock and other anaerobic digester operations
- Agricultural methane emission reduction
- Agricultural carbon emission reduction

6. Waste Handling and Disposal

- Capture and destruction of Landfill gas
- Capture and use of Landfill gas (biodigestion, aerobic treatment)
- Methane recovery in wastewater treatment
- Avoidance of methane production in wastewater treatment
- Coal mine methane

ACR accepts projects validated and verified against an ACR-approved methodology, provided they comply with the current version of the ACR Standard. ACR process for development and approval of standards and methodologies is led by a qualified technical team. Approval includes review by ACR's technical team, a stakeholder comment period and a scientific peer review process, a rigorous technical review by experts in the relevant field(s). This combination of approaches ensures that our published standards and methodologies are the highest quality.

The Winrock and ACR team that leads the development of standards and methodologies includes internationally recognized leaders in the forestry, agriculture, industrial and energy sectors and is widely recognized for its deep expertise in carbon accounting.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation specifies that the indicator is fulfilled.

Indicator 5.2.5

Relevant scoring methodology provisions

“The normative program documents are publicly available on the program's website”

Notes: In the definitions section the Methodology for assessing the quality of carbon credits defines normative program documents as follows: “The documents adopted under a carbon crediting program that specify requirements, procedures, and administrative and operational aspects of the program. This typically includes standards, (such as quantification methodologies), procedures, manuals, guidance documents, and forms.”

Information sources considered

- 1 Program website: Carbon Accounting (<https://americancarbonregistry.org/carbon-accounting>), last accessed on 17 June 2022.
- 2 Program website: Standards & Methodologies (<https://americancarbonregistry.org/carbon-accounting/standards-methodologies>), last accessed on 17 June 2022.
- 3 Program website: Validation & Verification (<https://americancarbonregistry.org/carbon-accounting/verification/verification>), last accessed on 17 June 2022.
- 4 Program website: Guidance, Tools & Templates (<https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates>), last accessed on 17 June 2022.

Relevant carbon crediting program provisions

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Assessment outcome

Yes (2 Points).

Justification of assessment

The Program website contains standards including the American Carbon Registry Standard and the ACR Validation and Verification Standard as well as approved methodologies, methodologies in scientific review, methodologies open for public comments and methodologies in development (source 2). The website further lists information requirements for validation and verification entities (source 3) and guidance documents, tools and templates. The indicator is therefore fulfilled.

Indicator 5.2.6

Relevant scoring methodology provisions

“Input received through public consultations relating to material program updates (e.g., new or updated normative program documents) is documented and the program reports back to the public on how raised issues were addressed.”

Information sources considered

- 1 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
- 2 ACR Standard v7.0 Summary of Public Comments and Responses. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>.
- 3 ACR Summary of Changes from ACR Standard v6.0 to 7.0. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 1.J, page 15: “All ACR Standards will be posted for public comment for at least 60 days prior to adoption. ACR will prepare responses to all submitted comments and post the comments and responses along with the new version of the standard.

ACR will review and revise the ACR Standard, as necessary, at a minimum of every 3 years.

Such updates occur when significant changes to GHG accounting best practices or the legislative and/or regulatory context justify an update; when new provisions or requirements originating in methodologies make ACR aware of higher-level requirements or clarifications that should be made at the ACR Standard; upon an update to ACR’s internal policy and/or process requirements; or for other reasons.”

Assessment outcome

Yes (1 Point).

Justification of assessment

On the program website the program documents the process for material program updates and makes publicly available public comments and responses received in public consultations relating to material program updates (Provision 2) as well as summaries of changes (Provision 3).

Indicator 5.2.7

Relevant scoring methodology provisions

“The program clearly distinguishes mandatory requirements from recommendations and guidance (e.g., by uniformly applying “shall” for mandatory requirements and “should” for recommendations or guidance throughout its normative program documents).”

Information sources considered

- 1 Program website: American Carbon Registry Standard (<https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>), last accessed on 17 June 2022.
- 2 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
- 3 ACR Validation and Verification Standard, v1.1. Document issued in May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/acr-validation-and-verification-standard-1>
- 4 Guidelines for Avoiding Double Counting with CORSIA, June 2019, v1.0. Document issued in June 2019. Online available at: <https://americancarbonregistry.org/carbon-accounting/guidance-tools-templates>
- 5 Aggregation and Programmatic Development Approach Guidance for Improved Forest Management, January 2021, Version 1.0.

Relevant carbon crediting program provisions

Provision 1 Source 1: “The *American Carbon Registry (ACR) Standard* details ACR’s requirements and specifications for the quantification, monitoring, reporting, verification, registration and issuance of project-based GHG emissions reductions and removals as carbon credits. The Standard establishes the level of scientific integrity that every project must meet in order for ACR to register its GHG emissions reductions and removals as tradable environmental assets.”

Provision 2 Source 2, page 10: “Project Proponents wishing to develop a project for registration on ACR shall follow this Standard and must apply an ACR-approved methodology (as defined below).

The ACR Standard v7.0 supersedes the ACR Standard v6.0 (July 2019). Any project listed subsequent to January 1, 2021, must follow all requirements of and be validated against the ACR Standard v7.0. New projects listed prior to January 1, 2019, may be validated according to a previous version of the ACR Standard, as applicable at the time of listing.

Project Proponents and other interested parties should refer to www.americancarbonregistry.org for the latest version of the ACR Standard, methodologies, tools, document templates, and other guidance.”

Provision 3 Source 3, page 8: “ACR-approved VVBs conducting validations and/or verifications on behalf of ACR shall include this document in addition to the ACR Standard and an ACR-approved methodology as audit criteria.

The ACR Validation and Verification Standard Version 1.1 supersedes the ACR Validation and Verification Standard, Version 1.0 (February 2018), and must be used as criteria for any project validation or verification commencing after August 1, 2018.

Project Proponents and other interested parties should refer to www.americancarbonregistry.org for the latest version of the ACR Standard, methodologies, tools, document templates, and other guidance.”

Provision 4 Source 4, page i: “These Guidelines identify policies, standards, procedures, and operational capabilities that programs should adopt to address all three types of double counting.”

Provision 5 Source 5, section 2.1, page 9: “The ACR Aggregation and PDA Guidance is applicable to the ACR IFM project type. IFM projects implementing an Aggregated or PDA project must follow established procedures and requirements of the relevant ACR Standard and IFM methodology, as well as requirements set out within this document. Where requirements differ amongst the ACR Standard and the IFM Aggregation and PDA Guidance, Project Proponents shall adhere to the requirements of the Aggregation and PDA Guidance.”

Assessment outcome

No (0 Points).

Justification of assessment

The core documents use of "shall", "may", "should" does not always clearly indicate which requirements are mandatory and which are not. The ACR Aggregation and PDA Guidance document for example uses “shall” provision in several instances which might be contradictory for a document labelled as “guidance” (see Provision 5). A classification of documents providing greater specificity and distinction between mandatory requirements and recommendations and guidance would improve the clarity of the program. The indicator is therefore not fulfilled.

Indicator 5.2.8

Relevant scoring methodology provisions

“The program’s registry and project database is publicly accessible through the program's website. The registry includes for each carbon credit information on its status (active or cancelled), its serial number, and its issuance date. The project database includes detailed information on each credited activity, including all documentation required for the approval of the activity (e.g., project design documents, auditing reports, and supporting documentation), and all documentation required for the issuance of carbon credits (e.g., monitoring reports including reproducible emission reductions and/or removal calculations, auditing reports, and supporting documentation).”

Information sources considered

1. The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
2. Program website: Public Registry (<https://americancarbonregistry.org/how-it-works/registry-reports>), last accessed on 17 June 2022.

Relevant carbon crediting program provisions

Provision 1 Source 1, section B.3, page 94-95 “A key element to avoid double counting in all of its forms is a robust and transparent registry platform, including a project database, that is publicly accessible, transparent and easily search-able, and provides relevant information needed to avoid double counting under CORSIA.

The robust registry and database platform must support project registration including providing a unique identifier for each project that can be cross-referenced with offset credits issued in a program’s offset credit registry, so that project information can be identified for every offset credit issued within the registry. ACR’s registry platform is operational with all functionality and transparency needed to avoid double counting for CORSIA including:

1. Securely and transparently effectuating the issuance, transfer, retirement and cancellation of offset credits;

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);
- 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.

3. Public, downloadable, sortable reports on all offset credits including projects, issuances, retirements and cancellations; and

4. Retirement and cancellation procedures that ensure the removal of the unit is clearly indicated, irreversible, and unambiguously designated for an intended purpose. For cancellations of units for the CORSIA, the cancellation information will specify the aero-plane operator for which the offset credits were cancelled and the calendar year for which an offsetting requirement is fulfilled through the cancellation.”

Provision 2 Source 1, section 10.B, page 59: “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 3 Source 2: “Projects. The Projects Report shows all projects submitted to the Registry for the voluntary and California markets and includes information on project type, status, geographic location as well as links to download project documentation.

Issued Credits. The Issued Credits Report details information about all the offsets (ERTs, California Registry Offset Credits and California Early Action Offset Credits) issued in the Registry. Information provided includes project name and type, location, quantity of offsets issued, issuance date, serial numbers and links to download project documentation.

Retired Credits. The Retired Credits Report details information on all offsets (ERTs, California Registry Offset Credits and California Early Action Offset Credits) that have been retired in the Registry. Information provided includes project name and type, location, quantity of offsets retired, retirement date, serial numbers, retirement reason and name of transferee/honoree.

Canceled Credits. The Canceled Credits Report details information on all offsets (ERTs, California Registry Offset Credits and California Early Action Offset Credits) that have been canceled in the Registry, including for issuance as California Air Resources Board Offset Credits (ARBOCs) on the ARB compliance registry. Information provided includes project name and type, location, quantity of offsets canceled, cancellation date and reason, and serial numbers.

Buffer Pool Account Balance. The Buffer Pool Account Balance report shows the volume of offsets held in the ACR buffer account to protect against forest carbon project reversals.

Serial Number Search. The Serial Number Search report allows a search for information on offsets by serial number.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation specifies that the indicator is fulfilled.

Indicator 5.2.9

Relevant scoring methodology provisions

“The program requires that all relevant non-confidential project documentation, including reports from validation and verification entities, be disclosed. The program defines what information would qualify as “confidential”.”

Information sources considered

1. The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>
2. ACR Validation and Verification Standard, v1.1. Document issued in May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/acr-validation-and-verification-standard-1>

Relevant carbon crediting program provisions

Provision 1 Source 2, section 6.G, page 24-25: “GHG projects have the potential to generate both positive and negative community and environmental impacts. ACR requires that all projects develop and disclose an impact assessment to ensure compliance with environmental and community safeguards best practices. Projects’ environmental and community impacts should be net positive, and projects must “do no harm” in terms of being in violation of local, national, or international laws or regulations.

Project Proponents must identify a project’s community and environmental impacts. Projects may disclose positive contributions as aligned with applicable sustainable development goals. Projects must describe the safeguard measures in place to avoid, mitigate, or compensate for potential negative impacts, and how such measures will be monitored, managed, and enforced. For more information on what the assessment should include, please refer to Section 8.A of the ACR Standard.

To examine a Project Proponent’s claims of net positive community and environmental impacts, the VVB shall review publicly available information regarding the GHG project against the GHG Project Plan undergoing validation and the environmental community impact assessment; records of stakeholder consultations, if any; and results from methodologies and tools used for community and environmental impact analysis. Net positive impacts, and the adequacy of community impact analysis and/or stakeholder consultations, are subjective criteria that are difficult to validate and verify. Therefore, the VVB is not required to provide a judgment on the adequacy of these processes or their qualitative results. However, it must confirm that the Project Proponent has evaluated community and environmental impacts, documented a mitigation plan for any foreseen negative community or

environmental impacts, and disclosed any prior negative environmental or community impacts or claims of thereof.”

Provision 2 Source 2, chapter 7, page 26: “The product of validation is a Validation Report, which is posted publicly by ACR. The Validation Report is a detailed description of the validation activities and conclusions.”

Provision 3 Source 2, chapter 12, page 47: “The end products of verification are a Verification Statement and Verification Report. ACR posts both publicly.”

Provision 4 Source 1, section 6.G, page 43: “COMMERCIALY SENSITIVE INFORMATION. Project Proponents may designate certain parts of the GHG Project Plan or other project documentation as Commercially Sensitive Information. This information must be available for review by ACR and the VVB (with non-disclosure agreements, as necessary), but will be excised from the project documentation posted publicly on the ACR registry.

For the sake of transparency, ACR shall presume project information to be available for public scrutiny, and demonstration to the contrary shall be incumbent on the Project Proponent. The VVB shall check that any information requested as “commercially sensitive” meets the ACR definition of Commercially Sensitive Information.”

Provision 5 Source 1, page 64: “Commercially Sensitive Information. Trade secrets, financial, commercial, scientific, technical, or other information whose disclosure could result in a material financial loss or gain, prejudice the outcome of contractual or other negotiations, or otherwise damage or enrich the person or entity to which the information relates.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The program has provisions for the disclosure of environmental and community impact assessments. The program documents do not define what information is qualified as “confidential” but defines “commercially sensitive information”. The program documents require project information that is not considered to be commercially sensitive information to be made publicly available. The indicator is therefore fulfilled.

Indicator 5.2.10

Relevant scoring methodology provisions

“The program requires that information related to the determination of the baseline scenario, additionality, or the calculation of emission reductions or removals must be disclosed and cannot be considered confidential.”

Information sources considered

- 1 The American Carbon Registry Standard, v7.0. Document issued in December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.A, page 16, Table 1: Core GHG Accounting Principles: “TRANSPARENCY. Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used. “
- Provision 2 Source 1, section 2.B.6: “The Project Proponent shall establish and apply quality assurance and quality control (QA/QC) procedures to manage data and information, including the assessment of uncertainty in the project and baseline scenarios. QA/QC procedures shall be outlined in the GHG Project Plan.”
- Provision 3 Source 1, chapter 3, page 20: “Project Proponents shall address, in their GHG Project Plan, each of the criteria below along with the project type-specific requirements. [...]

<p>Crediting Period</p>	<p>Crediting Period is the finite length of time for which a GHG Project Plan is valid, and during which a project can generate offsets against its baseline scenario.</p> <p>Crediting Periods are limited in order to require Project Proponents to re-confirm, at intervals appropriate to the project type, that the baseline scenario remains realistic and credible, the Project Activity remains additional, and GHG accounting best practice is being used.</p>	<p>The Crediting Period for non-AFOLU projects shall be 10 years. AFOLU projects may have different Crediting Periods, as specified in the relevant ACR sector requirements or methodology. The Start Date and the start of the first Crediting Period are generally the same, unless otherwise allowable in the relevant methodology.</p> <p>A Project Proponent may apply to renew the Crediting Period by complying with all then-current ACR requirements (including the latest versions of the ACR Standard and applicable methodology), re-evaluating the baseline scenario, reconfirming additionality, and using emission factors, tools, and methodologies in effect at the time of renewal. Except where specified in a methodology, ACR does not limit the number of renewals.</p> <p>Projects that are deemed to meet all ACR additionality criteria upon validation are considered additional for the duration of their Crediting Period with the exception of regulatory changes that effectively mandate the project</p>
		<p>activity after a Crediting Period has begun¹². If a regulatory requirement (or similar requirement such as a permit condition) comes into force during the crediting period and such requirement effectively mandates the project activity, the project will no longer be eligible for crediting from the date the regulation takes effect, unless otherwise specified in the applicable methodology.</p>

<p>Real</p>	<p>A real offset is the result of a project action that yields quantifiable and verifiable GHG emissions reductions and/or removals.</p>	<p>GHG reductions and/or removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR Methodology and is verifiable. ACR will not credit a projected stream of offsets on an ex-ante basis.</p>
<p>Emission or Removal Origin</p>	<p>An emission or removal is direct if it originates from sources or sinks over which the Project Proponent has control.</p> <p>An emission or removal is indirect if it originates at sources or sinks over which the Project Proponent does not have control.</p>	<p>For projects reducing or removing direct emissions, the following requirement applies:</p> <p>The Project Proponent shall own, have control over, or document that effective control exists over the GHG sources and/or sinks from which the emissions reductions or removals originate.</p> <p>For projects reducing or removing non-energy indirect emissions,¹³ the following requirement applies:</p> <p>The Project Proponent shall document that no other entity may claim GHG emission reductions or removals from the Project Activity (i.e., that no other entity may make an ownership claim to the emission reductions or removals for which credits are sought).</p>
<p>Offset Title</p>	<p>Offset title is a legal term representing rights and interests in an offset, a future stream of offsets,</p>	<p>The Project Proponent shall provide documentation and attestation of undisputed title to all offsets prior to registration. Title to offsets shall be clear, unique, and uncontested.</p>
<p>Additional</p>	<p>GHG emission reductions and removal enhancements are additional if they exceed those that would have occurred in the absence of the Project Activity and under a business-as-usual scenario.</p>	<p>Every project shall use either an ACR-approved performance standard and pass a regulatory surplus test, as detailed in the applicable methodology, or pass a three-pronged test of additionality in which the project must:</p> <ol style="list-style-type: none"> 1. Exceed regulatory/legal requirements; 2. Go beyond common practice; and 3. Overcome at least one of three implementation barriers: institutional, financial, or technical.
<p>Regulatory Compliance</p>	<p>Adherence to all laws, regulations, and other legally binding mandates directly related to Project Activities.</p>	<p>Projects must maintain material regulatory compliance. To do this, a regulatory body/bodies must deem that a project is not out of compliance at any point during a reporting period. Projects deemed to be out of compliance with regulatory requirements are not eligible to earn ERTs during the period of non-compliance. Regulatory compliance violations related to administrative processes (e.g., missed application or reporting deadlines) or for issues unrelated to integrity of the GHG emissions reductions shall be treated on a case-by-case basis and may not disqualify a project from ERT issuance.</p>

<p>Permanent</p>	<p>Permanence refers to the longevity of removal enhancements and the risk of reversal (i.e., the risk that atmospheric benefit will not be permanent). Reversals may be unintentional or intentional.</p>	<p>For projects with a risk of reversal of GHG removal enhancements or avoided conversion projects, Project Proponents shall assess and mitigate risk, and monitor, report, and compensate for reversals. AFOLU Project Proponents shall assess reversal risk using ACR's Tool for Risk Analysis and Buffer Determination and shall enter into a legally binding Reversal Risk Mitigation Agreement with ACR/Winrock that details the</p>
		<p>risk mitigation option selected and the requirements for reporting and compensating reversals. Proponents of terrestrial sequestration or avoided conversion projects shall mitigate reversal risk by contributing ERTs to the ACR Buffer Pool or using another ACR-approved insurance or risk mitigation mechanism. Proponents of geologic sequestration projects shall mitigate reversal risk during the project term by contributing ERTs to the ACR Reserve Account and post-project term by filing a Risk Mitigation Covenant, which prohibits any intentional reversal unless there is advance compensation to ACR, or by using another ACR-approved insurance or risk mitigation mechanism.</p>
<p>Net of Leakage</p>	<p>Leakage is an increase in GHG emissions or decrease in sequestration outside the project boundaries that occurs because of the project action.</p>	<p>ACR requires Project Proponents to address, account for, and mitigate certain types of leakage, according to the relevant sector requirements and methodology conditions. Project Proponents must deduct leakage that reduces the GHG emissions reduction and/or removal benefit of a project in excess of any applicable threshold specified in the methodology.</p>

- Provision 4 Source 1, section 10.A, page 57: “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 cancelation of the units on one registry prior to re-issuance on another.”
- Provision 5 Source 1, chapter 4, page 26: “ACR’s additionality requirements are intended to ensure that credited offsets exceed the GHG reductions and removals that would have occurred under current laws and regulations, current industry practices, and without carbon market incentives. Project Proponents must demonstrate that the GHG emission reductions and removals from an offset project are above and beyond the “business as usual” scenario. To qualify as additional, ACR requires every project:
- Either to exceed an approved performance standard, as defined in the applicable methodology, and a regulatory additionality test; or
 - To pass a three-prong test of additionality.”

- Provision 6 Source 1, section B.4 ACR Requirements, page 99: “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 off-set 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.”
- Provision 7 Source 1, section 6.G, page 43: “COMMERCIALLY SENSITIVE INFORMATION. Project Proponents may designate certain parts of the GHG Project Plan or other project documentation as Commercially Sensitive Information. This information must be available for review by ACR and the VVB (with non-disclosure agreements, as necessary), but will be excised from the project documentation posted publicly on the ACR registry.
- For the sake of transparency, ACR shall presume project information to be available for public scrutiny, and demonstration to the contrary shall be incumbent on the Project Proponent. The VVB shall check that any information requested as “commercially sensitive” meets the ACR def-inition of Commercially Sensitive Information.”
- Provision 8 Source 1, page 64: “Commercially Sensitive Information. Trade secrets, financial, commercial, scientific, technical, or other information whose disclosure could result in a material financial loss or gain, prejudice the outcome of contractual or other negotiations, or otherwise damage or enrich the person or entity to which the information relates.”

Assessment outcome

No (0 Points).

Justification of assessment

The program documents require that information related to the determination of the baseline scenario, additionality, or the calculation of emission reductions or removals must be publicly disclosed in the GHG Project Plan. However, according to provision 7, Project Proponents are allowed to designate certain parts of the GHG Project Plan or other project documentation as Commercially Sensitive Information. The program further defines “commercially sensitive information” as trade secrets and financial, commercial, scientific, technical or other information that could result in a material financial loss, amongst others (Provision 8). Due to the absence of formal

provisions defining what cannot qualify as commercially sensitive information, the indicator is not fulfilled.

Scoring results

According to the above assessment, the carbon crediting program receives 8 out of 11 achievable points. Applying the scoring approach in the methodology, this results in a score of 3.64.