

## Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: [www.carboncreditquality.org](http://www.carboncreditquality.org)

Criterion:	<a href="#">6.2 Sustainable development impacts of the project type or project</a>
Project type:	<a href="#">Recovery of associated gas from oil fields</a>
Date of final assessment:	<a href="#">31 January 2023</a>
Score:	<a href="#">LDCs/SIDS: 3.68</a> <a href="#">Other countries: 2.68</a>

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## Assessment

### Relevant scoring methodology provisions

The methodology assesses the extent to which a specific project or project type contributes to or hinders the achievement of each of the 17 Sustainable Development Goals (SDGs), with the exception of Goal 13 on climate action which is the primary goal of the climate mitigation projects. To assess the impacts of a project type or individual project on each SDG, the methodology draws on a seven-point ordinal scale for each SDG (see further details in the methodology). The following table illustrates the scale from -3 to +3 points to assess the impact or influence of a project type or individual project on each individual SDG goal:

<b>Impact of the project on the SDG goal</b>	<b>Points</b>
Indivisible: The successful implementation of the project automatically delivers progress on this SDG goal.	+3
Reinforcing: The successful implementation of the project directly makes it easier to make progress on this SDG goal.	+2
Enabling: The successful implementation of the project indirectly creates conditions that enable progress on this SDG goal.	+1
Consistent: There is no significant link between the project and this SDG goal.	±0
Constraining: The successful implementation of the project constrains the options for how to deliver on this SDG goal.	-1
Counteracting: The successful implementation of the project makes it more difficult to make progress on this SDG goal.	-2
Cancelling: The successful implementation of the project automatically leads to a negative impact on this SDG goal.	-3

As an additional step of the evaluation, it is assessed whether the project is implemented in Least Developed Countries or Small Island Developing States, which are recognized to face special circumstances that require additional support. Projects implemented in these countries receive an upgrade of one score point (e.g. from 3 to 4) in the overall evaluation of criterion 6.2. Note that the overall score cannot exceed 5.

### Information sources considered

- 1 SDG Climate Action Nexus Tool ([SCAN-tool](#))
- 2 Energy Education – Flaring. Online available at: <https://energyeducation.ca/encyclopedia/Flaring>
- 3 Ubani and Onyejekwe (2013) - Environmental impact analyses of gas flaring in the Niger delta region of Nigeria. Online available at: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.659.2940&rep=rep1&type=pdf>
- 4 Emam (2015) - Gas Flaring in the Industry – an overview. Online available at: [https://fortbertholdplan.org/wp-content/uploads/2016/08/pc\\_5\\_2015\\_emam\\_381.pdf](https://fortbertholdplan.org/wp-content/uploads/2016/08/pc_5_2015_emam_381.pdf)
- 5 Ite and Ibok (2013) - Gas flaring and venting associated with petroleum exploration and production in the Nigeria's Niger Delta. Online available at: <http://pubs.sciepub.com/env/1/4/1/index.html>

## 6 Review of descriptions of different individual carbon credit projects

### **Assessment**

The criterion is here assessed at the level of the project type, noting that the actual impacts may differ substantially between individual projects. The assessment thus aims to provide a picture of the typical impacts of the relevant project type. The project type is characterized as follows:

“Recovery and utilization of associated gas from oil fields. This includes the installation of infrastructure to gather and transport the recovered gas to a transmission pipeline or a gas processing plant. Part of the recovered gas may be used to meet on-site energy demands. In the baseline scenario, the associated gas would be vented or flared. The project type reduces emissions by (i) displacing the use of fossil fuels and, where applicable, (ii) reducing venting of methane.”

The assessment results are summarized in the below table.

SDG	Points	Justification
Goal 1: No Poverty	0	No interaction.
Goal 2: Zero Hunger	0	No interaction.
Goal 3: Good Health and Well-being	2	Slightly positive impact as recovered associate gas could replace more polluting fossil fuels like coal. In addition, flaring of associate gas is reduced. Air pollution and related diseases are avoided (target 3.9).
Goal 4: Quality Education	0	No interaction.
Goal 5: Gender Equality	0	No interaction.
Goal 6: Clean Water and Sanitation	1	Natural gas can reduce thermal and non-thermal water pollution and consumption (target 6.3) when fossil fuel generation plants (e.g. coal) have a significant water consumption and cause a change in water temperature and additional pollution by releasing used water back into adjacent water bodies. These impacts are reduced as the use of the recovery gas displaces the use of other fossil fuels. However, the impact is small as the use of natural gas is only a by-product of oil exploration.
Goal 7: Affordable and Clean Energy	1	Instead of flaring, the recovered natural gas is used, thereby providing a cleaner energy than other fossil fuels (target 7.1, 7.a/b).
Goal 8: Decent Work and Economic Growth	0	No interaction.
Goal 9: Industry, Innovation and Infrastructure	2	The project type increases the resource efficiency of the industry (target 9.4).
Goal 10: Reduced Inequality	0	No interaction.
Goal 11: Sustainable Cities and Communities	0	No interaction.
Goal 12: Responsible Consumption and Production	2	The project type reduces losses related resources needed for power generation (target 12.2).
Goal 14: Life Below Water	0	No interaction.
Goal 15: Life on Land	1	Negative impacts on vegetation and freshwater systems from harmful air pollution from substituting fossil fuels, such as coal, are avoided(target 15.5).
Goal 16: Peace and Justice Strong Institutions	0	No interaction.
Goal 17: Partnerships to achieve the Goal	0	No interaction.
<b>Total points achieved: 9</b>		

The project type receives 9 points in the SDG impact evaluation. Furthermore, none of the goals is assessed with a score of -3. Using the scoring approach in the methodology, this results in a score of 2.68. If the underlying project is implemented in a Least Developed Country or Small Island Developing State, the score is upgrade by one point, resulting in an overall score of 3.68.