

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:	2.1: Robust registry and project database systems
Carbon crediting program:	CDM
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	20 May 2022
Score:	4.58

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Assessment

Indicator 2.1.1.

Relevant scoring methodology provisions

“The registry is capable of securely effectuating the issuance, transfer, and cancellation of carbon credits.”

Information sources considered

- 1 Data exchange standards for registry systems under the Kyoto Protocol. Technical specifications (Version 1.1.10). 24 April 2013.
https://unfccc.int/files/kyoto_protocol/registry_systems/application/pdf/des_full_v1.1.10.pdf

Relevant carbon crediting program provisions

None.

Assessment outcome

Yes (1 Point).

Justification of assessment

There is no way for the project team to independently assess the security of the registry. No issues relating to a lack of security of the registry have been reported. The indicator is therefore considered to be fulfilled.

Indicator 2.1.2

Relevant scoring methodology provisions

“The registry tags each carbon credit with a unique identifier (e.g., serial number) and each carbon credit is clearly associated with a specific issuance.”

Information sources considered

- 1 UNFCCC Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol, <https://unfccc.int/documents/4252>

Relevant carbon crediting program provisions

- Provision 1 Source 1, Appendix D, paragraph 7: “Each CER shall have a unique serial number comprising the following elements:
- (a) Commitment period: the commitment period for which the CER is issued

- (b) Party of origin: the Party which hosted the CDM project activity, using the two-letter country code defined by ISO 3166
- (c) Type: this shall identify the unit as a CER
- (d) Unit: a number unique to the CER for the identified commitment period and Party of origin
- (e) Project identifier: a number unique to the CDM project activity for the Party of origin”.

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation specifies that the indicator is fulfilled.

Indicator 2.1.3

Relevant scoring methodology provisions

“The program has established procedures to clearly identify the owner of a carbon credit, including which entities are entitled to request for the issuance, transfer or cancellation of a carbon credit.”

Information sources considered

- 1 CDM project standard for project activities, Version 03.0, CDM-EB93-A04-STAN, available at <https://cdm.unfccc.int/Reference/Standards/index.html>
- 2 CDM project cycle procedures for project activities, Version 03.0, CDM-EB93-A06-PROC, available at <https://cdm.unfccc.int/Reference/Procedures/index.html>

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 7.11, paragraph 117: “The project participants shall define for the proposed CDM project activity their modalities of communication with the Board, and present them in a “Modalities of communication statement” (MoC statement), with the following content:
- (a) The title of the proposed CDM project activity (and UNFCCC reference number if available);
 - (b) The date of submission of the MoC statement (to a DOE for inclusion in the request for registration or to the secretariat for changes after registration);
 - (c) The designation of a focal point for each scope of authority, contact details and specimen signatures of the authorized signatories of each focal point entity;

(d) A list of all project participants, contact details and specimen signatures of their authorized signatories;

(e) The signature of an authorized signatory (electronic if available) of all project participants confirming their agreement with the MoC statement.”

Provision 2 Source 2, section 4.6, paragraph 42: “The project participants shall grant the focal points the authority to: (a) Communicate in relation to requests for forwarding of CERs to individual accounts of the project participants (scope (a)); and/or (b) Communicate in relation to requests for addition and/or voluntary withdrawal of the project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures (scope (b)); and/or (c) Communicate on all other project-related matters not covered by (a) or (b) above (scope (c))”.

Provision 3 Source 2, section 8.1.1, paragraph 199: “The DOE, after verifying that the monitored GHG emission reductions or net anthropogenic GHG removals were determined in accordance with all applicable requirements for implementation and monitoring in the “CDM project standard for programmes of activities”, and certifying the quantity of CERs claimed in the monitoring report, by following the applicable provisions of the “CDM validation and verification standard for programmes of activities” and other applicable CDM rules and requirements, shall submit, through a dedicated interface on the UNFCCC CDM website, a request for issuance of CERs by using the “CDM programme of activities issuance request form (CDM-PoA-ISS-FORM) and all the required documents listed in the completeness check checklist for requests for issuance”.

Assessment outcome

Yes (1 Point).

Justification of assessment

The CDM requires project owners to designate a focal point when registering a project and clarify the authority of this focal point (Provision 1). The focal points are authorized to forward or cancel CERs (Provision 2), once their issuance has been requested by the DOE (Provision 3). The indicator is therefore fulfilled.

Indicator 2.1.4

Relevant scoring methodology provisions

“The registry or project database system makes relevant information on carbon credits readily available to users and the public in a user-friendly format, including:

- a. The project to which the carbon credit was issued, including unique identifying information about the project
- b. The host country of the relevant project (i.e., the country where the project is implemented)
- c. Information on the status of the credit (e.g., cancelled or active).”

Information sources considered

- 1 UNFCCC Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol, Appendix D: Clean development mechanism registry requirements, available at <https://unfccc.int/documents/4252>

Relevant carbon crediting program provisions

Provision 1 Source 1, Appendix D, paragraphs 7, 9, 11, 12: “7. Each CER shall have a unique serial number comprising the following elements:

- (a) Commitment period: the commitment period for which the CER is issued
- (b) Party of origin: the Party which hosted the CDM project activity, using the two-letter country code defined by ISO 3166
- (c) Type: this shall identify the unit as a CER
- (d) Unit: a number unique to the CER for the identified commitment period and Party of origin
- (e) Project identifier: a number unique to the CDM project activity for the Party of origin [...]

9. The CDM registry shall make non-confidential information publicly available and provide a publicly accessible user interface through the Internet that allows interested persons to query and view it. [...]

11. The information referred to in paragraph 9 above shall include the following CDM project activity information, for each project identifier against which the CERs have been issued:

- (a) Project name: a unique name for the CDM project activity
- (b) Project location: the Party and town or region in which the CDM project activity is located
- (c) Years of CER issuance: the years in which CERs have been issued as a result of the CDM project activity
- (d) Operational entities: the operational entities involved in the validation, verification and certification of the CDM project activity
- (e) Reports: downloadable electronic versions of documentation to be made publicly available in accordance with the provisions of the present annex.

12. The information referred to in paragraph 9 above shall include the following holding and transaction information relevant to the CDM registry, by serial number, for each calendar year (defined according to Greenwich Mean Time):

- (a) The total quantity of CERs in each account at the beginning of the year
- (b) The total quantity of CERs issued

- (c) The total quantity of CERs transferred and the identity of the acquiring accounts and registries
- (d) The total quantity of ERUs, CERs, AAUs and RMUs cancelled in accordance with paragraph 8 above
- (e) Current holdings of CERs in each account”.

Assessment outcome

- a. Yes (1 Point)
- b. Yes (1 Point)
- c. Yes (0 Points)

Justification of assessment

All issuances are publicly available at this website: https://cdm.unfccc.int/Issuance/cers_iss.html. Each issuance of a CERs has a block of serial numbers from which the project and the host country can immediately be identified (Provision 1). All issuances are also accessible through the project search. The provisions in paragraph 12 of Appendix D of decision 3/CMP.1 would, in principle, also allow identifying the status of each CER. In practice, however, this CMP requirement has never been implemented by the UNFCCC secretariat and the CDM Executive Board. Therefore, no point is awarded with regard to sub-paragraph (c).

Indicator 2.1.5

Relevant scoring methodology provisions

“The program has established provisions that identify, or allow the public to identify, for each carbon credit, or each block of carbon credits, the period in which the emission reductions or removals occurred.”

Information sources considered

- 1 Data exchange standards for registry systems under the Kyoto Protocol. Technical specifications (Version 1.1.10). 24 April 2013.
https://unfccc.int/files/kyoto_protocol/registry_systems/application/pdf/des_full_v1.1.10.pdf
- 2 CDM project activity issuance request form, Version 06.0, available at:
https://cdm.unfccc.int/Reference/PDDs_Forms/index.html

Relevant carbon crediting program provisions

Provision 1 Source 2, page 1: “Monitoring period covered by the monitoring report: (Start date – end date: dd/mm/yyyy – dd/mm/yyyy)”

Assessment outcome

Yes (1 Point).

Justification of assessment

Under the CDM, CERs are issued in blocks of serial numbers (Source 1). For each monitoring period, information on the duration needs to be provided, including the start and end date (Provision 1). An issuance request is made for each monitoring report and a block of CERs is issued for each request. It is therefore possible to identify for each carbon credit the period in which the emission reductions or removals occurred.

Indicator 2.1.6

Relevant scoring methodology provisions

“The program administers a publicly accessible, transparent and easily searchable project database that provides relevant information needed to avoid double counting. The project database may operate as a separately functioning system or be incorporated as part of the program’s registry system. The database provides a unique identifier for each project that can be cross-referenced with carbon credits issued in the program’s registry, so that project information can be identified for every carbon credit issued within the registry.

The project database makes, moreover, the following information accessible, either by means of data entries or by means of documents made available through the database:

- 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, along with the location(s) of all relevant sources and sinks
- c. The country and geographical location where the project is implemented, and any other information needed for the project to be unambiguously identified and distinguished from other projects that may occur in the same location
- d. The project owners.”

Information sources considered

- 1 CDM project standard for project activities, Version 03.0, CDM-EB93-A04-STAN, available at <https://cdm.unfccc.int/Reference/Standards/index.html>
- 2 CDM Website – project search, available at <https://cdm.unfccc.int/Projects/projsearch.html>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 7.5.2, paragraph 35-37: “The project participants shall describe the proposed CDM project activity in the PDD to provide an understanding of the nature and the implementation of the project activity. When describing the proposed CDM project activity, the project participants shall provide, inter alia, the following information: (a) The title for the project activity; (b) The sectoral scopes linked to the methodologies applied and relevant to the project activity; (c) The purpose and a general description of the project activity, including how it contributes to the sustainable development of the host Party; (d) The physical/geographical location of the project activity; (e) The technologies/measures to be employed and/or

implemented by the project activity, including [...]; (f) The technologies/measures existing prior to the implementation of the project activity at the same site, as applicable, including the equivalent information listed in subparagraph (e) above on the facilities, systems and equipment; (g) A short summary of the baseline scenario as established in accordance with section 7.5.3 below, including the equivalent information listed in subparagraph (e) above; (h) A description of how the technologies/measures and know-how for their use are transferred to the host Party, where applicable. The project participants shall identify: (a) The Parties involved in the proposed CDM project activity, including the host Party; (b) The project participants of the proposed CDM project activity.”

Provision 2 Source 1, section 7.5.2, paragraph 57: “The project participants shall describe the project boundary of the proposed CDM project activity, including the physical delineation of the project activity, and which sources and GHGs are included in the project boundary in accordance with the applied methodologies and the applied standardized baselines.”

Assessment outcome

General requirement: Yes (1 Point)

- a. Yes (1 Point).
- b. Yes (1 Point)
- c. Yes (1 Point)
- d. Yes (1 Point)

Justification of assessment

According to the CDM standard for project activities, project participants are required to provide all the required information in sub-paragraphs (a) to (d) when submitting their Project Design Document (PDD) (Provisions 1 and 2). The PDD and project information is publicly available on the CDM website where it is possible to access all requested information under ‘project search’. By clicking on a project, detailed information including a description and information on the mitigation technologies, the methodologies for calculating the project’s emission reductions, including information on emission sources, sinks and GHG included, the country and geographical location where the project is implemented and the project owners is available in the table as well as in project documents which are available through the website (Source 2). Therefore, all requirements are fulfilled.

Scoring results

According to the above assessment, the carbon crediting program receives 11 out of 12 achievable points. Applying the scoring approach of the methodology, this results in a score of 4.58.