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

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<th>Criterion:</th>
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<td>Carbon crediting program:</td>
<td>GS</td>
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<td>Assessment based on carbon crediting program documents valid as of:</td>
<td>30 June 2021</td>
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<td>20 May 2022</td>
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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

4. Personal communication, February 2022

Relevant carbon crediting program provisions

Provision 1 Source 1, section 6: Listing and Registration of Projects and Certification of Units;
Source 1, section 7: Recording the Transfer of Units;
Source 1, section 8: Retirement of Units;
Source 1, section 9: Suspension and Cancellation.

Provision 2 Source 2, section 6: “The Gold Standard Registry is Gold Standard’s electronic database that stores and publicly displays Data about Projects and Products for transactional and informational purposes. All Projects and Products must be recorded on The Gold Standard Registry. SC uses a proprietary software application (the “SC App”) to facilitate the certification process. Unless otherwise agreed in writing with SC, all Projects and Products must use the SC App for certification. You understand and agree that once You submit Project or Product Data to the SC App or Gold Standard Registry, such Data becomes the property of the Gold Standard, except where otherwise provided by the applicable law”.

Provision 3 Source 3, section 23.4: “All information stored in The Gold Standard Registry or SC App is on secure servers and will be encrypted wherever possible”.

Provision 4 Source 4: “Our registry is built on world-class infrastructure and security systems, with both Amazon used as our data centre supplier and auth0 used for data authentication. Our secure data centres continually manage risk and undergo recurring assessments to ensure compliance with industry standards. We keep a rolling set of records related to any users accessing the system and any system communications sent, down to
the time the email was delivered. Beyond that we track all transactions that take place within the registry for security and auditing purposes. The logs are read-only with write access limited to the system and can only be accessed by our Technical Leads and Product Management. All database data is encrypted at rest with AES-256, block-level storage encryption. Keys are managed by Amazon's AWS Key Management Service, and individual volume keys are stable for the lifetime of the volume. All database backups are stored in an encrypted S3 bucket; access control is role based and database credentials are rotated regularly”.

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. Additionally, the terms of use for Gold Standard’s registry contain detailed provisions for effectuating the issuance, transfer and cancellation of carbon credits (Source 3, sections 7, 8 and 9). Additionally, the available information on the software which the Impact Registry is based on suggests that such functionality is present (Provisions 2 and 3). In a personal communication, Gold Standard provided further information on the registry is capably of securely effectuating the issuance, transfer and cancellation of carbon credits. Altogether, 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


Relevant carbon crediting program provisions

Provision 1 Source 1, section 6.4: “Where The Gold Standard lists Units in accordance with this clause 6, such Units will be listed with a unique serial number in The Gold Standard Registry recorded against the listing in the Account Holder's account, unless the Unit has already been listed with a serial number by any governing body, association, board or other entity pursuant to any Standard, in which case if required by such entity, The Gold Standard will record this serial number (or a part thereof) against the listing in the Account Holder's account.”
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  Gold Standard Registry, available at https://registry.goldstandard.org

Relevant carbon crediting program provisions

Provision 1  Source 2, section 3.1.1: “The following General Eligibility Criteria applies to all projects seeking Gold Standard Certification: […] f) Legal Ownership: Full and uncontested legal ownership of any Products that are generated under Gold Standard Certification (for example carbon credits) shall be demonstrated”.

Provision 2  Source 3, section 15: “Users applying for registration of an Energy Project of LUF Project must confirm exclusive ownership and legal title to that Project or that the User is authorized to act as a “Project Participant”.

Provision 3  Source 3, section 4.1 – 4-2: “Subject to clause 4.4, and subject to receipt of any documentation required by The Gold Standard or Markit, an Agent may operate an account in The Gold Standard Registry in accordance with clause 3.2 on behalf of a Project Participant or Project Owner who owns or intends to own Units”.

Provision 4  Source 3, section 5.1: “The Account Holder’s account manager shall appoint one or more Authorised Users to exercise and fulfil the Account Holder's rights and obligations under these Terms of Use once it has opened an account in The Gold Standard Registry in accordance with clause 3.2”.

Provision 5  Source 3, section 6.1: “Listing and Registration of Projects and the Certification of Units”, Registry Terms of Use, i.a.:

“Upon request by the Account Holder made via The Gold Standard Registry, The Gold Standard may list one or more projects, and Units resulting from such project(s), in
accordance with this clause 6, The Gold Standard Operative Documents and the terms specified in the Markit User Guidelines”.

Provision 6 Source 3, section 7.1: “Recording the Transfer of Units”, Registry Terms of Use, i.a.:
“Upon request by the Account Holder made via The Gold Standard Registry, The Gold Standard may list one or more projects, and Units resulting from such project(s), in accordance with this clause 6, The Gold Standard Operative Documents and the terms specified in the Markit User Guidelines”.

Provision 7 Source 3, section 8.1: “The Account Holder may retire Units in The Gold Standard Registry in accordance with the rules set out in these Terms of Use, the Markit User Guidelines and The Gold Standard Operative Documents”.

Assessment outcome

Yes (1 Point).

Justification of assessment

Gold Standard has established clear procedures to identify the owner of a carbon credit (provision 1). The Terms of Use of Gold Standard’s registry also lay down clear rules on which entities are entitled to request for the issuance, transfer or cancellation of credits (provisions 2-7). 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

3 Key Project information and project design document (PDD), v. 1.2 (2020), available at https://globalgoals.goldstandard.org/t-prereview-design-document/
Relevant carbon crediting program provisions

Provision 1  Source 1, section 6.2: “The Gold Standard will require any Account Holder […] to provide […] documentation outlining the design of the project(s)”.

Provision 2  Source 1, section 6.10: “The Account Holder who is designated as a project developer must upload project documents to its account on The Gold Standard Registry within 60 calendar days of opening an account”.

Provision 3  Source 2, section 6.1.1: “Projects shall provide evidence of conformity to the Requirements using approved Gold Standard Project templates except for supporting evidence and documents. The following project documentation and associated evidence and information are required at different stages of the project cycle […] Key project information (see PDD template)”.

Assessment outcome

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

Justification of assessment

Project owners are required to provide the required information including a description of the project as well as information on the host country when submitting their PDD (provisions 1, 3 as well as source 3 requiring a description of the project, including the location of a project and technologies used as well as information on applied methodologies and GHGs included in the calculation of the project’s emission reductions or removals). A description of the project is available for each project in the registry (provision 2) and information on the project is clearly linked to any carbon credit issued. Also, the host country is specified for each project as well as for each credit issued in the registry. The registry also provides information on the status of each credit in tabular format (source 4). All elements of this indicator are therefore fulfilled.

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  Gold Standard Registry, available at https://registry.goldstandard.org

Relevant carbon crediting program provisions

Provision 1 Source 2, page 6: Guidance: “Referring to the monitoring period start and end dates in the KPI table, divide the monitoring period into calendar years and calculate the amount of Product generated in each calendar year”.

Assessment outcome

Yes (1 Point).

Justification of assessment

In the monitoring report template, Table 2 requires project owners to provide information on the vintages of the credits (source 2). Additionally, the template guide for the monitoring report provides instructions for how to report information on the vintage (provision 1). Also the registry provides information on vintages (source 1). The indicator is therefore fulfilled.

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 Gold Standard Registry, available at https://registry.goldstandard.org


Relevant carbon crediting program provisions

Provision 1 Source 4, section 6.2: “The Gold Standard will require any Account Holder […] to provide […] documentation outlining the design of the project(s)”.

Provision 2 Source 2, section 6.1.1: “Projects shall provide evidence of conformity to the Requirements using approved Gold Standard Project templates except for supporting evidence and documents. The following project documentation and associated evidence and information are required at different stages of the project cycle […] Key project information (see PDD template)”.

Provision 3 Source 3: Key project information including title and host country; description of the project in section A including location of a project.

Provision 4 Source 4, section 6.10: “The Account Holder who is designated as a project developer must upload project documents to its account on The Gold Standard Registry within 60 calendar days of opening an account”.

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

Gold Standard’s registry is publicly available and serves as the program’s project database that is easily searchable. The program’s registry provides a unique identifier for each project (GS ID) that is linked to any carbon credits issued to the respective project (Source 1).

Via the website of the registry, documents related to each project that is “registered” (thus has gone through the full registration process) can be accessed via a link to the website of sustain-cert, including the Project Design Document (PDD) which provides information on the emission sources, sinks and greenhouse gases included in the calculation of the project’s emission reductions or removals (Source 1). Project owners are required to provide the required information including a description of the project as well as information on the host country when submitting their PDD for a preliminary review process at the start of the project cycle (Provisions 1 to 4). Also, the host country is specified for each project as well as for each credit issued in the registry (Source 1). The project
documents also make it possible to unambiguously identify and distinguish the projects from other projects in the same location.

The project owner is clearly indicated for each “registered” project on the project website which can be accessed from the registry as well. Additionally, a description of the project including information on the mitigation technologies is available for each project in the registry via a link to the project website (Source 1). All indicators are therefore fulfilled.

**Scoring results**

According to the above assessment, the carbon crediting program receives 12 out of 12 achievable points. Applying the scoring approach of the methodology, this results in a score of 5.