



CCQI
Carbon Credit
Quality Initiative

Application of the CCQI 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

Contact

carboncreditqualityinitiative@gmail.com

Sub-criterion:	2.2.2: Avoiding indirect overlaps between projects
Carbon crediting program:	CAR
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	21 February 2024
Score:	5 (all project types)

Assessment

Relevant scoring methodology provisions

Double issuance can occur indirectly through overlapping claims by different entities involved in mitigation projects. Indirect overlaps between projects can only occur in cases where projects, in calculating their emission reductions or removals, include emissions sources that occur at other sites than where the project is implemented. This risk is only applicable to some project types. The following table provides examples of project types with or without a risk of indirect overlaps:

Project types with potential indirect overlaps between projects	Project types without potential indirect overlaps between projects
<ul style="list-style-type: none"> • Landfill gas utilization • Renewable electricity generation • Biomass use • Composting 	<ul style="list-style-type: none"> • Landfill gas flaring • Avoidance of N₂O from nitric or adipic acid production • Energy efficiency improvements in thermal on-site applications

For project types for which this risk is not relevant, the score is 5. For other project types, the scoring depends on the carbon crediting programs' procedures to address this risk. The scoring approach for carbon crediting program procedures to avoid indirect overlaps between projects is as follows:

Program requirements	Score
The program only credits those types of projects for which overlaps between projects are very unlikely to occur	5
The program has robust provisions in place that effectively identify and avoid overlaps between projects registered within the program <i>and</i> projects registered under other programs (see principles in the methodology)	5
The program has robust provisions in place that effectively avoid overlaps between projects registered <i>within</i> the same program	3
The program does not have robust provisions in place to avoid indirect overlaps between projects	1

Information sources considered

- 1 Reserve Offset Program Manual, March 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf
- 2 CAR Landfill Project Protocol, Version 5.0, 24 April 2019.
- 3 CAR U.S. Livestock Protocol, Version 4.0, 23 January 2013.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.9: "The first layer of safeguards to avoid double counting is applied at the level of protocols. The initial safeguard is through the process for screening protocols for development and adoption by the Reserve. Section 4.1 provides details regarding the selection of project types with low risk of double counting. The next safeguard to avoid double counting is via the act of protocol development. During this process, decisions are made regarding the determination of additionality and the

defining of the GHG Assessment Boundary. Both of these processes can reduce the risk of double counting where project activities or GHG sources are covered by other programs”.

Provision 2 Source 1, section 3.10.1: “Registration of projects using protocols developed by the Reserve is limited to the Reserve’s voluntary offset program and other carbon offset programs that have pre-existing agreements in place with the Reserve. If a project developer is seeking crediting under a protocol developed by the Reserve under a different program, it is the project developer’s responsibility to notify the Reserve and to ensure that there is such a pre-existing agreement in place. **It may be possible for a voluntary Reserve offset project to be simultaneously listed under another voluntary offset program, provided that there is no overlap in the GHG Assessment Boundaries of the relevant protocol(s) or methodology.** All project developers wishing to take advantage of any such opportunity should seek guidance from the Reserve, and staff of the other voluntary offset program, as early as possible in that process, to ensure best chances for approval and avoidance of any double counting. Reserve staff will work directly with the project developer, and likely also staff from the other voluntary program in question, to ensure there is no double counting in such circumstances. Generally speaking, where GHG accounting boundaries do not overlap, it may be possible for a project to enroll in multiple offset programs, undertake one set of activities, and receive crediting from those multiple programs. However, such a determination shall be made on a case-by-case basis for each combination of Reserve protocol and external protocol or methodology”.

Assessment outcome

The carbon crediting program’s approach to avoid indirect overlaps between projects is assigned the following scores:

- Commercial afforestation, establishment of natural forests, improved forest management: 5
- Industrial biodigesters fed with livestock manure: 5
- Landfill gas utilization: 5

Justification of assessment

Among the project types assessed, the following project types are eligible under CAR: commercial afforestation, establishment of natural forest, improved forest management, industrial biodigesters fed with livestock manure, and landfill gas utilization.

For one project type, the relevant quantification methodologies do not include emission sources in the calculation of emission reductions that occur at other sites than where the project is implemented. For this reason, these project types are assigned a score of 5:

- **Landfill gas utilization:** Different from most other carbon crediting programs, CAR's methodologies do not allow claiming emission reductions from using the landfill gas, which may reduce fossil fuels consumption elsewhere (Source 2). Emission reductions are only claimed from the avoidance of methane emissions at the project site. Therefore, no indirect overlaps may occur with other project activities.

For one project type, the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented; however, there is no known practice by carbon crediting programs to issue carbon credits to other entities for these emission reductions. For this reason, this project type is also assigned a score of 5:

- **Industrial biodigesters fed with livestock manure:** Under this project type, a risk could potentially occur if a landowner received carbon credits for the reduced application of manure in addition to issuing credits for the generation of biogas from the manure. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions. Furthermore, different from most other carbon crediting programs, CAR's methodologies do not allow claiming emission reductions from using the biogas, which may reduce fossil fuels consumption elsewhere (Source 3 and 4). Therefore, there is no risk of indirect overlaps if carbon credits were issued to consumers utilizing the biogas or even to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers or users for reducing or stopping fossil fuel production or use.

For three project types, the relevant quantification methodologies do not include any significant emission sources in the calculation of emission reductions that occur at other sites than where the project is implemented. Any such emissions, such as from fertilization production or transportation, are relatively small and therefore considered immaterial. However, there is a risk that another carbon market project might claim the same emission reductions if the methodology applied by that other project includes emission reductions occurring on other sites. This applies to the following project types:

- **Commercial afforestation, establishment of natural forest and improved forest management projects:** For these project types, indirect overlaps could occur in various ways. First, indirect overlaps could occur with jurisdictional REDD+ activities. However, such overlaps are not yet addressed under the CCQI scoring methodology and are therefore not considered in this assessment. Second, indirect overlaps could occur with projects that claim emission reductions or removals from enhancing the use of biomass from the respective land areas. These projects may use the biomass in different ways: as fuel, such as projects using biomass for power generation; as feedstock, such as projects using biomass instead of fossil fuels to produce plastics, or to store the carbon, such as biomass energy carbon capture and storage (BECCS) or the storage of carbon in woody building materials. This risk applies to all forestry project types, with the exception of establishment of natural forest where biomass may not be extracted for commercial purposes. However, any extraction of biomass from the project area would imply a decline in the amount of biomass stored in the land area, and thus be deducted from future issuances (or accounted for under non-permanence provisions). This form of overlap would thus not lead to double issuance. Third, indirect overlaps could occur with projects that reduce the use of non-renewable biomass, such as efficient cookstove projects or household biodigester projects. If such projects are implemented in proximity to the land areas of the forestry project, both projects may claim the emission reductions or removal from the same enhancement or preservation of carbon stocks. This risk applies to all forestry project types.

For these three project types, the scoring therefore depends on the carbon crediting program's provisions to address the risk of indirect overlaps.

CAR addresses the risk of indirect overlaps through two approaches. First, risks due to claims from indirect emission sources are considered in a screening process when deciding to develop a protocol (Provision 1). Furthermore, a project may only be listed under another offset program provided that there is no overlap in the GHG assessment boundaries of the relevant methodologies (Provision 2).

Indeed, many CAR protocols are applicable to project types that mainly or only address direct emission sources at the project site; however, a few protocols allow projects to claim emission reductions from indirect emission sources or other entities to claim the emission reductions at the project site. Both approaches do not sufficiently address the risk of overlapping claims between two separate projects which are registered with different programs (e.g., an improved forest management project being registered with CAR and a cookstove project registered under the VCS).

For forestry projects, overlap risks only apply in countries where non-renewable biomass is used for cooking. Where this is not the case, the risk of overlaps is deemed to be low. This is especially relevant for projects that take place in industrialized countries where cooking with non-renewable biomass is highly uncommon. Scoring is hence further differentiated by host country to reflect these circumstances. To identify countries where cooking with non-renewable biomass is likely to take place we – as a proxy – assessed project databases of ACR, CAR, CDM, GS and VCS for cookstove and biodigester projects. For countries, where we identified cookstove and biodigester projects we assess that cooking with non-renewable biomass is likely to take place (for biodigester projects we did not consider projects where the use of biogas for cooking replaces fossil fuels). Hence, for these countries a risk of overlapping claims is deemed relevant and a score of 1 is assigned to forestry projects (commercial afforestation, establishment of natural forest and improved forest management). For forestry projects in other countries we deem the risk to be not relevant and assign a score of 5.

The CAR U.S. Forest Protocol is only eligible in the U.S. In the U.S. there are no efficient cookstove or household biodigester projects being implemented. We therefore deem the risk to be not relevant and assign a score of 5.

Annex: Summary of changes from previous assessment sheet versions

The following table describes the main substantive changes implemented in comparison to the assessment from 12 September 2023.

Topic	Rationale
Addition of new project types	Scores have been amended to accommodate two new project types: commercial afforestation and improved forest management.
Score change for the project type establishment of natural forest	<p>The assessment was updated to integrate further overlapping risks identified during assessing the new project types, commercial afforestation and improved forest management that also apply to the previously assessed project type establishment of natural forests.</p> <p>In the light of the new risks identified during the assessment the score was adapted following the differentiation in scores introduced for commercial afforestation and improved forest management.</p>