

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:	2.3: Avoiding double use
Carbon crediting program:	CAR
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	20 May 2022
Score:	2.50

Contact

info@oeko.de
www.oeko.de

Head Office Freiburg

P. O. Box 17 71
 79017 Freiburg

Street address

Merzhauser Straße 173
 79100 Freiburg
 Phone +49 761 45295-0

Office Berlin

Borkumstraße 2
 13189 Berlin
 Phone +49 30 405085-0

Office Darmstadt

Rheinstraße 95
 64295 Darmstadt
 Phone +49 6151 8191-0

Assessment

Indicator 2.3.1

Relevant scoring methodology provisions

“To address the risk of double use due to the cancellation of one carbon credit for more than one purpose, the registry system has functionalities to document the purposes for which carbon credits are used.”

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 registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>
- 3 Climate Action Reserve, Terms of Use (2014), available at <https://www.climateactionreserve.org/wp-content/uploads/2009/03/Final-TOU-1-2014..pdf>

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.9: “The registry itself is designed to mitigate the risk of double counting through transparency. Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT retirements and view the serial numbers, as well as the **reason for retirement**. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions”.
- Provision 2 Source 3, Article 8.a.ii: “If a User retires one or more CRTs and/or ROCs, notwithstanding anything to the contrary in these Terms of Use, the following information related to such retirement shall be subject to public disclosure by or at the direction of the Reserve, in such manner (including, without limitation, by inclusion in one or more reports posted on the Reserve's website) and at such times as the Reserve may determine in its sole discretion: [...] (F) **voluntarily disclosed by User to the Reserve regarding the reason for such retirement**; provided, however, that nothing in this paragraph (ii) shall be construed to permit the public disclosure of any name, email address or reason for the retirement of any CRT or ROC that is deemed to be Confidential Information pursuant to Section 9(b)(v) or to limit any provision of Section 9(b)(v).”

Assessment outcome

Yes (2 points).

Justification of assessment

The above documentation specifies that the registry or project database system makes all relevant information on carbon credits readily available. In all cases, a default option for the retirement reason must be chosen and disclosed (e.g., “On behalf of third party,” “environmental benefit,” or “compensation for avoidable reversal”) (Source 2). However, it is not mandatory for users of the registry to make the detailed reason for retirement public, beyond these generic selections (Provision 1). While specifying the detailed retirement reasons is not a mandatory, the system offers the functionality to specify and publish detailed retirement reasons (Source 2, Provision 2). The indicator is therefore considered to be fulfilled.

Indicator 2.3.2

Relevant scoring methodology provisions

“The program *requires* users of carbon credits (and/or their representatives) to transparently and unambiguously specify, either within the registry system or in another information system, the following information in relation to a cancellation:

- a. The voluntary goal or requirement that is achieved through the cancellation of the carbon credits (e.g., "for voluntary offsetting purposes" or "CORSIA offsetting obligation")
- b. The beneficiary, i.e. which entity's voluntary goals or mandatory requirements are met (e.g. "XYZ Airlines")
- c. The calendar year(s) for which these voluntary goals or requirements are achieved (e.g., "2024 offsetting requirement covering the 2021-2023 compliance period under CORSIA").”

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 registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>
- 3 Climate Action Reserve, Terms of Use (2014), available at <https://www.climateactionreserve.org/wp-content/uploads/2009/03/Final-TOU-1-2014..pdf>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.9: “The registry itself is designed to mitigate the risk of double counting through transparency. Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT retirements and view the serial numbers, as well as the reason for retirement. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions”.

Provision 2 Source 3, Article 8.a.ii: “If a User retires one or more CRTs and/or ROCs, notwithstanding anything to the contrary in these Terms of Use, the following

information related to such retirement shall be subject to public disclosure by or at the direction of the Reserve, in such manner (including, without limitation, by inclusion in one or more reports posted on the Reserve's website) and at such times as the Reserve may determine in its sole discretion: [...] (F) **voluntarily disclosed by User to the Reserve regarding the reason for such retirement**; provided, however, that nothing in this paragraph (ii) shall be construed to permit the public disclosure of any name, email address or reason for the retirement of any CRT or ROC that is deemed to be Confidential Information pursuant to Section 9(b)(v) or to limit any provision of Section 9(b)(v).”

Assessment outcome

- a. Yes (1 Point)
- b. No (0 Points)
- c. No (0 Points)

Justification of assessment

In the registry, there are two entries regarding the purpose of retirements: one indicating the generic retirement reason and one indicating the details on the reason for retirements of carbon credits (Source 2). In all cases, a default option for the retirement reason must be chosen and disclosed (e.g., “On behalf of third party,” “environmental benefit,” or “compensation for avoidable reversal”). However, it is not mandatory for users of the registry to provide the detailed reason for retirement, beyond these generic selections (Provision 2). Element a. can be considered as fulfilled because CAR requires to indicate whether the retirement is “for voluntary offsetting purposes”. Specifying the beneficiary as well as the calendar year(s) for which the voluntary goals or requirements are achieved is not mandatory. Therefore, elements b. and c. are not fulfilled.

Indicator 2.3.3

“The program enables the users of the carbon credits to voluntarily make the information in relation to a cancellation publicly accessible through the registry or project database system.

OR

The program requires that the information provided by the users of the carbon credits in relation to a cancellation be made publicly accessible through the registry or project database system.”

Information sources considered

- 1 CAR registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>
- 2 Reserve Offset Program Manual, March 2021, available at https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf

Relevant carbon crediting program provisions

Provision 1 Source 2, section 2.9: “The registry itself is designed to mitigate the risk of double counting through transparency. Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT retirements and view the serial numbers, as well as the **reason for retirement**. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions” .

Assessment outcome

The first of the two conditions is met (1 Point).

Justification of assessment

In the registry, detailed information on the retirement of carbon credits is displaced for some but not for all carbon credits (Source 1). From this it can be inferred that the program does not require the users of the carbon credits to make information on a retirement publicly accessible through the registry. The first condition of the indicator is therefore fulfilled.

Scoring results

The carbon crediting program receives 4 out of 8 achievable points. Applying the scoring approach of the methodology, this results in a score of 2.50.