

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

Sub-criterion:	2.4.3 Avoiding double claiming with mandatory domestic mitigation schemes
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:	Efficient cookstoves: 5 Landfill gas utilization in LDCs: 5 Landfill gas utilization in non-LDCs: 1 Establishment of natural forest in LDCs: 5 Establishment of natural forest in non-LDCs: 1

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Assessment

Relevant scoring methodology provisions

This sub-criterion is assessed at the level of the project type, the host country, and the carbon crediting program. If the carbon crediting program's approaches differ between quantification methodologies, then this sub-criterion should be separately assessed for the relevant quantification methodologies.

The methodology first assesses whether there is a material risk that the project type concerned could overlap with mandatory domestic mitigation schemes (see definition in the methodology) in the relevant host country. Table 25 provides examples for which project types this risk is material. The evaluation may also need to consider the context of the relevant host country. For example, in LDCs it is less likely that mandatory domestic mitigation schemes are in place. For project types and host countries for which this risk is deemed immaterial, the score is 5. For other project types, the scoring depends on the carbon crediting programs' procedures to address this risk (see paragraph below the table).

Table 1 **Examples of project types with and without risks of overlapping with mandatory domestic mitigation schemes**

Project types with material risk of overlap with mandatory domestic mitigation schemes	Project types with low risk of overlap with mandatory domestic mitigation schemes
<ul style="list-style-type: none"> · Renewable power generation · Energy efficiency improvements in industry (e.g. cement, steel) · Use of energy efficient electric devices (e.g. LEDs) 	<ul style="list-style-type: none"> · Efficient cookstoves · Landfill gas flaring

Carbon crediting programs can avoid this form of double counting in two ways, by:

1. Not registering projects or issuing carbon credits that overlap with mandatory domestic mitigation schemes;
2. Establishing provisions that require that the project's impacts are not counted towards the achievement of the respective mandatory domestic mitigation schemes: Requiring that, if carbon credits are associated with activities or emission reductions/removals that are covered by these schemes, the project's impacts (e.g., the emission reductions achieved or the kilowatthours of renewable electricity produced) are not counted towards the achievement of these targets or obligations (e.g., by cancelling ETS allowances before issuing carbon credits, to the extent that the project reduces emissions from sources and gases covered by the ETS, or by not counting the renewable electricity generated by the project towards a mandatory quota for renewable electricity generation).

The methodology assigns a score of 5 to carbon crediting programs that have any of these two approaches in place. If a carbon crediting program only addresses overlap with ETSs, for example by cancelling ETS allowances before issuing carbon credits, to the extent that the project reduces emissions from sources and gases covered by the ETS, but not with other potential mandatory domestic mitigation schemes (e.g., renewable electricity generation quotas), then a score of 3 is assigned. If a carbon crediting program does not have such procedures in place but nevertheless

registers projects for which the emission reductions or removals may overlap with mandatory domestic mitigation schemes, a score of 1 is assigned (Table 26).

Table 2 Scoring approach for avoiding double claiming with mandatory domestic mitigation schemes

Carbon crediting program requirement	Score
The program has established provisions that do not allow registering projects or issuing carbon credits that overlap with mandatory domestic mitigation schemes.	5
The program allows registering projects and issuing carbon credits that could overlap with mandatory domestic mitigation schemes but it has established robust provisions that, if carbon credits are associated with activities or emission reductions/removals that are covered by these schemes, the project's impacts are not counted towards the achievement of these targets or obligations.	5
The program allows registering projects and issuing carbon credits that could overlap with mandatory domestic mitigation schemes. It has established robust provisions that address overlap with ETSs but it has not established provisions to address overlap with other types of mandatory domestic mitigation schemes.	3
The program allows registering projects and issuing carbon credits that could overlap with mandatory domestic mitigation schemes and has not established provisions to address such overlap.	1

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>

Relevant carbon crediting program provisions

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Assessment outcome

Efficient cookstoves: 5

Landfill gas utilization in LDCs: 5

Landfill gas utilization in non-LDCs: 1

Establishment of natural forest in LDCs: 5

Establishment of natural forest in non-LDCs: 1

Justification of assessment

The CDM does not have provisions in place to address potential double counting with mandatory domestic mitigation schemes.

In the case of cookstove projects, the risk of any overlap with mandatory domestic mitigation schemes can be deemed to be low, as indicated in Table 25 of the scoring methodology. Therefore, a score of 5 is assigned to efficient cookstove projects.

In the case of landfill gas utilization projects, the capture gas is mostly used for electricity or heat generation, replacing the use of fossil fuels for electricity or heat generation. Electricity or heat generation from fossil fuels is in several countries covered by emissions trading systems. In principle, such systems could also cover methane emissions from landfills. The existence of such schemes is, however, very unlikely in LDCs. Therefore, a score of 5 is assigned for landfill gas projects in LDCs, whereas a score of 1 is assigned for projects implemented in non-LDCs.

In the case of establishment of natural forest, such activities could be covered by emissions trading systems. For example, New Zealand has established an emissions trading system that covers the forest sector. Similarly, the EU has adopted the LULUCF regulation which allows countries to use removals from afforestation activities to meet their obligations under the Effort Sharing Regulation. As for landfill gas utilization projects, the existence of such schemes is, however, considered to be very unlikely in LDCs. Therefore, a score of 5 is assigned for projects in LDCs, whereas a score of 1 is assigned for projects implemented in non-LDCs.