

## 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](http://www.carboncreditquality.org)

Criterion:	<a href="#">6.1 Robustness of the carbon crediting program's environmental and social safeguards</a>
Carbon crediting program	<a href="#">Climate Action Reserve</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">30 June 2021</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">1</a>

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# Assessment

## Indicator 6.1.1

### Relevant scoring methodology provisions

“The program requires the project owners to identify and mitigate potential negative environmental and social impacts, including to local and affected stakeholder wellbeing.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 1.2, page 2: “In addition, the Reserve strives to ensure that the offset projects it registers are not harmful. Project activities should not cause or contribute to negative social, economic or environmental outcomes and ideally should result in benefits beyond climate change mitigation.”

Provision 2 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve's protocols, e.g., as part of the project definition or definition of eligible "project developers." If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**"Do No Harm" Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs."

## **Assessment outcome**

No (0 Points).

## **Justification of assessment**

The carbon crediting program's approach to environmental and social safeguards is to rely "first and foremost" on legal requirements within the jurisdiction(s) where the project is implemented (Provision 2). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against "important" environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 2). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program

not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

Protocols for the project types assessed within this demo application do not contain any additional (explicit) provisions to identify and mitigate negative impacts besides general provisions such as in Provision 1. The indicator is therefore considered not to be fulfilled.

## Indicator 6.1.2

### Relevant scoring methodology provisions

“The program clearly defines the types of environmental and social impacts that the project owners must identify and mitigate.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

Provision 1 Source 1, Section 2.4.6, p. 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice.”

Provision 2 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

Common Agency. Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

Proximity. Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve's protocols, e.g., as part of the project definition or definition of eligible "project developers." If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

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In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**"Do No Harm" Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs."

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The overall program's provisions are relatively generic (Provision 1). The carbon crediting program's approach to environmental and social safeguards is to rely "first and foremost" on legal requirements within the jurisdiction(s) where the project is implemented (Provision 2). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements

are insufficient to guarantee protection against “important” environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 2). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms. It was not possible to find more detail on environmental and social impact types which should be assessed in the US Landfill Project and Forest Project Protocol. The indicator is therefore considered not to be fulfilled.

### Indicator 6.1.3

#### Relevant scoring methodology provisions

“The program requires the project owners to assign roles and responsibilities for managing environmental and social risks of the project.”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>
- 3 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)

#### Relevant carbon crediting program provisions

- Provision 1 Source 1, Section 2.4.6, page 13: “ Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.
- Provision 2 Source 2, Section 2.2, page 4: “A Forest Owner is an individual or a corporation or other legally constituted entity, city, county, state agency, or a combination thereof that has legal control of any amount of forest carbon within the Project Area. Control of forest carbon means the Forest Owner has the legal authority to effect changes to forest carbon quantities, e.g., through timber rights or other forest management or land-use rights. Control of forest carbon occurs, for purposes of satisfying this protocol, through fee ownership and/or deeded encumbrances, such as conservation easements. [...] A Project Operator must be one of the Forest Owners. The Project Operator is responsible for undertaking a Forest Project and registering it with the Reserve, and is ultimately responsible for all Forest Project reporting and attestations.

The Project Operator executes the Project Implementation Agreement (see Section 3.6) with the Reserve.”

Provision 3 Source 3, Section 2.3, page 4: “Project Developer. The “project developer” is an entity that has an active account on the Reserve, submits a project for listing and registration with the Reserve, and is ultimately responsible for all project reporting and verification. Project developers may be landfill owners, landfill operators, GHG project financiers, utilities, or independent energy companies.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

There was no provision found which requires project owners to assign roles and responsibilities for managing and mitigating environmental impact.

## **Indicator 6.1.4**

### **Relevant scoring methodology provisions**

“The program assesses the institutional arrangements and capacities of the project owners to identify and manage the environmental and social risks associated with the project.”

### **Information sources considered**

- 1 Verification Program Manual (Feb.2021): [https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification\\_Program\\_Manual\\_February\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification_Program_Manual_February_2021.pdf)

### **Relevant carbon crediting program provisions**

Provision 1 Source 1, section 4.6.3: “Reviewing Management Systems and Methodologies”, page 40: “After the project SSRs have been confirmed, verification bodies shall review the methodologies and management systems used to generate, compile, transcribe, and store project data. This is principally a risk assessment exercise in which the verification body must weigh the relative complexity of the scope of the project’s emissions operations and activities, the project developer’s methodologies and management systems used to report GHG reductions, and the likelihood of calculation error as a result of reporting uncertainty or misstatement. The verification body must determine the presence and level of inherent and management type risks and focus its verification effort on the highest risk areas. This is an area which requires professional judgment, and it is likely that qualitative material non-conformances with the protocol could be identified.

Through this review, the verification body shall determine the appropriateness of the management systems, IT systems, staff competency, internal audits, record keeping arrangements, and documentation processes to understand the risk of systemic errors as a result of reporting uncertainty or misstatement. A review of records and

management systems onsite helps to ascertain the adequacy of the management system relative to protocol requirements.

A verification body's general review of a project's GHG management systems should document whether methodologies/procedures are appropriate given the inherent uncertainty/risk; the likelihood that the data is correctly aggregated, monitored, and measured; and whether a qualified individual is responsible for managing and reporting GHG reductions or removals. The verification body shall also check that the correct metering equipment is used, inspected, cleaned and calibrated in accordance with the applicable protocol. The verification body is responsible for ensuring that all metered and modeled (if applicable) data are accurate."

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The program does require verification bodies to assess the management systems of project owners, including staff competency (Provision 1). It appears however from the provisions that this requirement mainly relates to verifying the capacities and appropriateness of the GHG management systems. It is not specifically stated that verifiers also must assess the institutional arrangements and capacities for managing environmental and social risks associated with the project. The indicator is therefore not fulfilled.

## **Indicator 6.1.5**

### **Relevant scoring methodology provisions**

"The program requires the project owners to identify and adhere to any national or local legal requirements which may be relevant to the project."

### **Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### **Relevant carbon crediting program provisions**

- Provision 1 Source 1, section 2.4.6 "Regulatory Compliance and Environmental and Social Safeguards", page 12: "The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also

required to disclose any and all instances of non-compliance – material or otherwise – of the project with any law to the Reserve and the verification body.”

Provision 2 Source 1, section 2.4.6, page 13: “The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized. “Do No Harm” Beyond Legal Requirements. In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs.”

### **Assessment outcome**

Yes (1 Point).

### **Justification of assessment**

The above documentation clearly specifies that the indicator is fulfilled.

## **Indicator 6.1.6**

### **Relevant scoring methodology provisions**

“The program requires the disclosure of all relevant information from the project owner’s evaluation of environmental or social impacts. If an Environmental Impact Assessment is relevant or required to be carried out in the project’s local legal context, the assessment is fully disclosed (except for any confidential information that is not relevant to the conclusions of the assessment).

### **Information sources considered**

- 2 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 3 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>
- 4 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise —of the project with any law to the Reserve and the verification body.”
- Provision 2 Source 2, Section 8.5, page 81: “Transparency. The Reserve requires data transparency for all Forest Projects, including data that displays current carbon stocks, reversals, and verified GHG reductions and removals. For this reason, all non-confidential project data reported to the Reserve will be publicly available on the Reserve’s website.”
- Provision 3 Source 3, section 7.1, page 42: ”Project Documentation. Project developers must provide the following documentation to the Reserve in order to register a landfill gas destruction project:

## Assessment outcome

No (0 Points).

## Justification of assessment

Provision 1 prescribes that “project developer must attest that the project was in material compliance with all applicable laws” and the Forest and Landfill Protocols (Provision 2 and 3) also require transparency of (non-confidential) information on the website. There is however no explicit requirement to disclose the assessment of environmental and social impacts (even if they would be within the limits of national regulations).

## Indicator 6.1.7

### Relevant scoring methodology provisions

“The program requires, at least for any potential negative impacts, that a validation and verification entity validates the evaluation of social and environmental impacts by the project owner prior to registration.”

### Information sources considered

- 1 Verification Program Manual (Feb.2021): [https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification\\_Program\\_Manual\\_February\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification_Program_Manual_February_2021.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.6.1.5, page 36: “Regulatory Compliance. The verification body shall confirm that the project being verified was in material compliance with all applicable laws, including environmental regulations, during the verification period.”

## Assessment outcome

No (0 Points).

## Justification of assessment

As the program does not really require of project owners to undertake an assessment of the environmental and social impacts (indicator 6.1.1), that is not an explicit part of the check from validation and verification entities. It is only checked if the project is in compliance with applicable laws (Provision 1).

## Indicator 6.1.8

### Relevant scoring methodology provisions

“The program requires a follow-up on any potential negative impacts identified in the evaluation of social and environmental impacts prior to registration, e.g., by including measures to mitigate any negative impacts in monitoring plans.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation.

Required agents will be specified in the Reserve's protocols, e.g., as part of the project definition or definition of eligible "project developers." If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**"Do No Harm" Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs."

Provision 2 Source 2, section 6.4: "Monitoring Parameters", page 33: "[...] Table 6.1. Regulatory compliance; Project developer attestation to compliance with regulatory requirements relating to landfill gas project; Must be monitored and determined for each reporting period. The project developer shall document all federal, state, and local regulations, ordinances, and permit requirements (and compliance status for each) that apply to the GHG reduction project. The project developer shall provide a signed attestation to their compliance status for the above mentioned federal, state, and local regulations, ordinances, and permit requirements."

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The carbon crediting program's approach to environmental and social safeguards is to rely "first and foremost" on legal requirements within the jurisdiction(s) where the project is implemented (Provision 1). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against "important" environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these

harms or exclude certain activities from eligibility under the protocol (Provision 1). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

The provisions that the compliance with applicable laws is monitored for landfill gas projects (Provision 2) can therefore not be considered sufficient to fulfil this indicator.

## Indicator 6.1.9

### Relevant scoring methodology provisions

“The program requires, at least for any potential negative impacts, that social and economic impacts be monitored throughout the crediting periods of the project.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Climate Action Reserve Verification Program Manual (February 2021), available at <https://www.climateactionreserve.org/how/verification/verification-program-manual/>.
- 3 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]

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Common Agency. Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents

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In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**"Do No Harm" Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs."

**Provision 2** Source 2, section 4.6.1.3 "Crediting Period", page 35: "Verification bodies shall verify that the reporting period falls within the project's crediting period as defined in the applicable protocol. Verification bodies shall also confirm that the crediting period and the reporting period entered in the Reserve software are accurate and the underlying activity or source data supplied by the project developer directly corresponds to these dates. It should be noted that all data must be contiguously reported and verified,

even if no credits are being claimed for a given time within a particular reporting period (see Section 4.4). [..]

The verification body shall confirm that the project being verified was in material compliance with all applicable laws, including environmental regulations, during the verification period. [..]"

Provision 3 Source 3, section 3.4.1 "Performance Standard Test", page 6: "[..] The Reserve will periodically re-evaluate the appropriateness of the performance standard criteria by updating the analysis in Appendix A. As part of its periodic assessments of the performance threshold, the Reserve will use a stakeholder process to evaluate whether implementation of this protocol has resulted in negative environmental effects, such as increased emissions of criteria pollutants and/or methane. Projects under this protocol are expected to have positive environmental effects. If it is determined that negative environmental effects have occurred, the Reserve will identify and implement revisions to the protocol to prevent such effects from occurring in the future, or may suspend implementation of the protocol if necessary."

### Assessment outcome

No (0 Points).

### Justification of assessment

The carbon crediting program's approach to environmental and social safeguards is to rely "first and foremost" on legal requirements within the jurisdiction(s) where the project is implemented (Provision 1). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against "important" environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 1). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers "important" environmental or social harms.

The program requires that projects are continuously monitored regarding their compliance with applicable laws (Provision 2). Protocols, such as the US Landfill Protocol (Provision 3), might be revised and temporarily suspended if negative impacts occur. This however does not specify that negative environmental and social impacts are monitored for each project.

## Indicator 6.1.10

### Relevant scoring methodology provisions

"The program requires the project owners to establish an environmental and social management plan, at least for projects that the program classifies as having high environmental and social risks."

**Information sources considered**

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**Relevant carbon crediting program provisions**

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**Assessment outcome**

No (0 Points).

**Justification of assessment**

The program has no such provisions in place.

**Indicator 6.1.11****Relevant scoring methodology provisions**

“The program has a grievance mechanism in place that allows local stakeholders to submit grievances throughout the lifetime of the project without any barriers (e.g. liability for expenses associated with the investigation). Such grievances must be duly considered by the carbon crediting program.”

**Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

**Relevant carbon crediting program provisions**

- Provision 1 Source 1, section 3.5.2 “Feedback and Grievances Process”, page 36: “For any project type, it is possible that a stakeholder may want to contact the Reserve to provide feedback, either positive or negative. For general feedback or inquiries, stakeholders may contact the Reserve at [atreserve@climateactionreserve.org](mailto:atreserve@climateactionreserve.org), or call the Reserve office at (213) 891-1444. For questions or comments related to a specific protocol, current points of contact are listed on our website at <http://www.climateactionreserve.org/contact-us/>.

The Reserve strives to avoid adopting protocols for activities that present a risk of negative environmental or social impacts. However, if a stakeholder has a grievance about a specific project, the initial point of contact would be the same as described above. The staff member receiving this initial contact will collect as much information as possible from the stakeholder about the specific project and grievance. This will then be communicated to the senior management at the Reserve, including the President. The specific action taken will depend on the nature of the grievance.

- For cases of a potential over-issuance, Reserve staff will conduct a thorough review and analysis, then ensure that the system is “made whole,” according to the process detailed in Section 3.6.2 below.
- For disputes related to ownership of the GHG emission reductions, the Reserve senior management and legal counsel will review the positions and documentation of the parties involved and determine the appropriate owner (based on existing Reserve guidance related to ownership of GHG emission reductions), as well as whether any additional action against the project or the project developer is warranted. The Reserve will not be party to any disputes where the involved parties pursue actions beyond the Reserve issuing a determination as previously described.
- For grievances related to potential negative social or environmental impacts related to a Reserve project, which are not in violation of existing regulations (and thus handled by the relevant government agency), the Reserve senior management will conduct a finding of facts and consider the stakeholder’s position. Such instances may be referred to the Board of Directors for a decision on project eligibility.”

**Assessment outcome**

Yes (1 Point).

**Justification of assessment**

The above documentation clearly specifies that the indicator is fulfilled.

**Indicator 6.1.12**

**Relevant scoring methodology provisions**

“The program requires that project owners have a culturally appropriate grievance mechanism in place for local stakeholders to submit grievances to them throughout the lifetime of the project. Such grievances must be duly considered by the project owner.”

**Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

**Relevant carbon crediting program provisions**

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**Assessment outcome**

No (0 Points).

## Justification of assessment

There are no explicit provisions requiring project owners to have a culturally appropriate grievance mechanism in place.

### Indicator 6.1.13

#### Relevant scoring methodology provisions

“The program requires that the grievance mechanism to be established by the project owners provide the possibility of providing anonymous grievances.”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

#### Justification of assessment

There were no such provisions found.

### Indicator 6.1.14

#### Relevant scoring methodology provisions

“The program requires that grievances received by the carbon crediting program and/or the project owners must be responded to within a specific response time.”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

#### Relevant carbon crediting program provisions

Provision1 Source 1, section 3.5.2 “Feedback and Grievance Process”, page 36: “For any project type, it is possible that a stakeholder may want to contact the Reserve to provide feedback, either positive or negative. For general feedback or inquiries, stakeholders

may contact the Reserve at [reserve@climateactionreserve.org](mailto:reserve@climateactionreserve.org), or call the Reserve office at (213) 891-1444. For questions or comments related to a specific protocol, current points of contact are listed on our website at <http://www.climateactionreserve.org/contact-us/>.

The Reserve strives to avoid adopting protocols for activities that present a risk of negative environmental or social impacts. However, if a stakeholder has a grievance about a specific project, the initial point of contact would be the same as described above. The staff member receiving this initial contact will collect as much information as possible from the stakeholder about the specific project and grievance. This will then be communicated to the senior management at the Reserve, including the President. The specific action taken will depend on the nature of the grievance.

- For cases of a potential over-issuance, Reserve staff will conduct a thorough review and analysis, then ensure that the system is “made whole,” according to the process detailed in Section 3.6.2 below.
- For disputes related to ownership of the GHG emission reductions, the Reserve senior management and legal counsel will review the positions and documentation of the parties involved and determine the appropriate owner (based on existing Reserve guidance related to ownership of GHG emission reductions), as well as whether any additional action against the project or the project developer is warranted. The Reserve will not be party to any disputes where the involved parties pursue actions beyond the Reserve issuing a determination as previously described.
- For grievances related to potential negative social or environmental impacts related to a Reserve project, which are not in violation of existing regulations (and thus handled by the relevant government agency), the Reserve senior management will conduct a finding of facts and consider the stakeholder’s position. Such instances may be referred to the Board of Directors for a decision on project eligibility.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The program has no provisions in place that requires the project owner or carbon crediting program to respond to grievances within a specific response time.

### **Indicator 6.1.15**

#### **Relevant scoring methodology provisions**

“The program requires the project owners to conduct an assessment of which local stakeholders will be impacted by the project.”

## Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.5 “Stakeholder Input for Individual Projects”, page 35: “Direct and indirect stakeholder interaction is an integral part of the process for developing offset protocols (see Sections 4.2 and 4.4). This includes comment periods that are open to the general public. At the project level, interactions generally involve those stakeholders with a commercial interest in the projects (e.g., facility owners, project developers, verifiers, consultants, CRT buyers, regulators, etc.)”
- Provision 2 Source 1, section 3.5.1 “Local Stakeholder Consultations”, page 35: “Every Reserve protocol includes requirements to ensure that credits are only issued for emission reductions at projects that are in compliance with applicable regulations, and do no net environmental harm. In some cases, offset projects may have the potential to create social impacts on the local community, either positive or negative, which may not be appropriately handled by other, existing government structures. In those cases, the individual protocol may include additional requirements for local stakeholder consultations. In addition, every protocol development process, as well as every major protocol update, involves at least one public comment period, with a public webinar. Local stakeholders are welcome to participate in any of these public events. For example, the Mexico Forest Protocol provides social safeguards through prescriptive guidance about obtaining free, prior, and informed consent; meeting notification, participation, and documentation; and project governance. This ensures that the local community is able to participate in the offset project.”

## Assessment outcome

No (0 Points)

## Justification of assessment

There is not a project-by-project assessment and consultation of which local stakeholders would be impacted by the project. However, general stakeholder input and consultation occurs during protocol development (Provision 1 and 2). The additional (optional) local stakeholder consultations, referred to in Provision 2, are however not foreseen in the Protocols assessed here (US Forest and US Landfill).

## Indicator 6.1.16

### Relevant scoring methodology provisions

“In assessing which local stakeholders will be impacted by the project, the program explicitly requires, at least for projects affecting land use, that the project owners identify local stakeholders that hold any legal or customary tenure or access rights to the land.”

### Information sources considered

- 1 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2., page 4: “Forest Owners and Project Operators. A Forest Owner is an Individual or a corporation or other legally constituted entity, city, county, state agency, or a combination thereof that has legal control of any amount of forest carbon within the Project Area. Control of forest carbon means the Forest Owner has the legal authority to effect changes to forest carbon quantities, e.g., through timber rights or other forest management or land-use rights. Control of forest carbon occurs, for purposes of satisfying this protocol, through fee ownership and/or deeded encumbrances, such as conservation easements.

Multiple Forest Owners may exist with respect to a single Forest Project, since control of forest carbon may be associated with fee ownership or through one or more deeded encumbrances that exist within a Project Area, any one of which may convey partial control of the project’s forest carbon. Any unencumbered forest carbon is assumed to be controlled by the fee owner. Individuals or entities holding mineral, gas, oil, or similar de minimis interests in the forest carbon, are precluded from the definition of Forest Owner. A Project Operator must be one of the Forest Owners. The Project Operator is responsible for undertaking a Forest Project and registering it with the Reserve, and is ultimately responsible for all Forest Project reporting and attestations. The Project Operator executes the Project Implementation Agreement (see Section 3.6) with the Reserve. [...] The Reserve maintains the right to determine which individuals or entities meet the definition of “Forest Owner”.”

### Assessment outcome

No (0 Points).

### Justification of assessment

While Provision 1 outlines a definition of forest owners and project operators, the program thereby does not explicitly require the project owners to identify all local stakeholder which may hold any

legal or customary tenure or access rights to the land. The indicator is therefore not sufficiently fulfilled.

## Indicator 6.1.17

### Relevant scoring methodology provisions

“The program requires the project owners to conduct a local stakeholder consultation in a way that is inclusive and culturally appropriate for local communities (taking into account, e.g., literacy, culture and language).”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.5 “Stakeholder Input for Individual Parties”, page 35: “Direct and indirect stakeholder interaction is an integral part of the process for developing offset protocols (see Sections 4.2 and 4.4). This includes comment periods that are open to the general public. At the project level, interactions generally involve those stakeholders with a commercial interest in the projects (e.g., facility owners, project developers, verifiers, consultants, CRT buyers, regulators, etc.). “
- Provision 2 Source 1, section 3.5.1 “Local Stakeholder Consultations”, page 35: “Every Reserve protocol includes requirements to ensure that credits are only issued for emission reductions at projects that are in compliance with applicable regulations, and do no net environmental harm. In some cases, offset projects may have the potential to create social impacts on the local community, either positive or negative, which may not be appropriately handled by other, existing government structures. In those cases, the individual protocol may include additional requirements for local stakeholder consultations. In addition, every protocol development process, as well as every major protocol update, involves at least one public comment period, with a public webinar. Local stakeholders are welcome to participate in any of these public events. For example, the Mexico Forest Protocol provides social safeguards through prescriptive guidance about obtaining free, prior, and informed consent; meeting notification, participation, and documentation; and project governance. This ensures that the local community is able to participate in the offset project.”

### Assessment outcome

No (0 Points).

### Justification of assessment

At the project level, only local stakeholders with a commercial interest are considered. Local stakeholder consultations may otherwise only be added in individual protocols if state/federal etc.

environmental regulations are not sufficient. However, the US Forest and Landfill Project Protocol do not require local stakeholder consultations. This indicator is thus not fulfilled.

## Indicator 6.1.18

### Relevant scoring methodology provisions

“The program requires that the local stakeholder consultation be conducted before the decision of the project owners to proceed with the project and before the validation of the project.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.5 “Stakeholder Input for Individual Projects”, page 35: “Direct and indirect stakeholder interaction is an integral part of the process for developing offset protocols (see Sections 4.2 and 4.4). This includes comment periods that are open to the general public. At the project level, interactions generally involve those stakeholders with a commercial interest in the projects (e.g., facility owners, project developers, verifiers, consultants, CRT buyers, regulators, etc.). This section details avenues for non-commercial stakeholders to interact with the Reserve in relation to individual projects (rather than protocols).”
- Provision 2 Source 1, section 3.5.1 “Local Stakeholder Consultations”, page 35: “Every Reserve protocol includes requirements to ensure that credits are only issued for emission reductions at projects that are in compliance with applicable regulations, and do no net environmental harm. In some cases, offset projects may have the potential to create social impacts on the local community, either positive or negative, which may not be appropriately handled by other, existing government structures. In those cases, the individual protocol may include additional requirements for local stakeholder consultations. In addition, every protocol development process, as well as every major protocol update, involves at least one public comment period, with a public webinar. Local stakeholders are welcome to participate in any of these public events.”

### Assessment outcome

No (0 Points).

### Justification of assessment

It is not explicitly required to conduct local stakeholder consultations, but they may be part of the compliance with environmental regulations. Even though “individual protocols include additional requirements for local stakeholder consultations” [emphasis added], source 1) the US Forest and Landfill Project Protocol do not include such requirements.

## Indicator 6.1.19

### Relevant scoring methodology provisions

“The program requires the project owners to take due account of any input received in the local stakeholder consultation and to publicly document how inputs received are addressed.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.5 “Stakeholder Input for Individual Projects”, page 35: “Direct and indirect stakeholder interaction is an integral part of the process for developing offset protocols (see Sections 4.2 and 4.4). This includes comment periods that are open to the general public. At the project level, interactions generally involve those stakeholders with a commercial interest in the projects (e.g., facility owners, project developers, verifiers, consultants, CRT buyers, regulators, etc.).”
- Provision 2 Source 1, section 3.5.1 “Local Stakeholder Consultations”, page 35: “Every Reserve protocol includes requirements to ensure that credits are only issued for emission reductions at projects that are in compliance with applicable regulations, and do no net environmental harm. In some cases, offset projects may have the potential to create social impacts on the local community, either positive or negative, which may not be appropriately handled by other, existing government structures. In those cases, the individual protocol may include additional requirements for local stakeholder consultations. In addition, every protocol development process, as well as every major protocol update, involves at least one public comment period, with a public webinar. Local stakeholders are welcome to participate in any of these public events. For example, the Mexico Forest Protocol provides social safeguards through prescriptive guidance about obtaining free, prior, and informed consent; meeting notification, participation, and documentation; and project governance. This ensures that the local community is able to participate in the offset project.”

### Assessment outcome

No (0 Points).

### Justification of assessment

Explicit local stakeholder consultations are not foreseen in the Reserve’s Manual and the relevant Protocols (US Forest and Landfill). Indicator 6.1.17 is not fulfilled and there this indicator is not fulfilled.

### Indicator 6.1.20

#### Relevant scoring methodology provisions

“The program requires that a validation and verification entity assesses whether the project owners have taken due account of all inputs received in the local stakeholder consultation.”

#### Information sources considered

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#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

#### Justification of assessment

The program has no such provisions in place as there is no explicit requirement for local stakeholder consultations on a project-by-project basis.

### Indicator 6.1.21

#### Relevant scoring methodology provisions

“The program requires that project owners make key information on the project available to local stakeholders prior to conducting the local stakeholder consultation, such as the project design documents and any supplemental project documentation.”

#### Information sources considered

-

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

## Justification of assessment

The program has no such provisions in place as there is no explicit requirement for local stakeholder consultations on a project-by-project basis.

### Indicator 6.1.22

#### Relevant scoring methodology provisions

“The program requires free, prior and informed consent if indigenous, tribal or traditional people are directly affected by a project (e.g., in case of re-locations or where property rights or land inhabited or used by people is affected).”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points)

## Justification of assessment

The program requires projects to be in compliance with legal requirements within the jurisdictions (see indicator 6.1.1) but has no provisions to ensure free, prior and informed consent that go beyond legal requirements.

### Indicator 6.1.23

#### Relevant scoring methodology provisions

“The program requires the project owners to establish mechanisms for ongoing communication with local stakeholders in a manner appropriate to the context of the stakeholders (e.g., literacy, culture and language) and take due account of input received.”

#### Information sources considered

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#### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

The program has no such provisions in place. (Public feedback and comments on adopted protocols are, however, assessed on an ongoing basis by the Reserve, see for example indicator 6.1.12.)

## Indicator 6.1.24

### Relevant scoring methodology provisions

“The program requires that a record of how issues from the local stakeholder consultation, grievances communicated to project owners and ongoing communication have been addressed is made publicly available or made available upon request.”

### Information sources considered

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### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

The program has no such provisions in place.

## Indicator 6.1.25

### Relevant scoring methodology provisions

“The program requires project validation and verification entities to contact and engage with affected local stakeholders during validation.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Verification Program Manual (Feb.2021): [https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification\\_Program\\_Manual\\_February\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification_Program_Manual_February_2021.pdf)

## Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

The program does not require that project validation and verification entities proactively consult with affected stakeholders during audits.

## Indicator 6.1.26

### Relevant scoring methodology provisions

“The program requires that projects be subject to public consultation on the global level via online facilities (e.g., submitting comments on an online platform or portal) prior to project registration.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 4.2.4, “Public Review Period and Public Workshop” page 45: “Public Review Period and Public Workshop. The revised draft protocol is posted on the Reserve’s website for a 30-day public comment period. The public is notified via the Reserve’s listserv database and other venues, and reviewers are asked to submit written comments. During the 30-day public review period, the Reserve also hosts a public workshop to solicit feedback and address concerns regarding the draft protocol in an open forum. After receiving written feedback, all comments are recorded and addressed. A final protocol is produced, taking into account public comments and any further workgroup feedback.”
- Provision 2 Source 1, section 4.2.6 “Ongoing Public Feedback and Comments”, page 45: “After Board approval, the Reserve continues to solicit, document, and respond to public feedback and comments on the current version of the protocol. Comments and feedback on adopted protocols can be submitted to the Reserve at [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org). The public is also welcome to contact Reserve staff directly to discuss their comments and concerns. Public feedback and comments are assessed on an ongoing basis and may initiate a revision to a protocol.”

### Assessment outcome

No (0 Points).

## Justification of assessment

The program uses a standardized approach with protocols developed for different project types. Global public consultations are part of the protocol development process, not for individual projects.

### Indicator 6.1.27

#### Relevant scoring methodology provisions

“The program requires that global public consultations of projects make available key information on the project, such as the project design documents and any supplemental project documentation.”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online 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 1, section 4.2.4, page 45: “Public Review Period and Public Workshop. The revised draft protocol is posted on the Reserve’s website for a 30-day public comment period. The public is notified via the Reserve’s listserv database and other venues, and reviewers are asked to submit written comments. During the 30-day public review period, the Reserve also hosts a public workshop to solicit feedback and address concerns regarding the draft protocol in an open forum. After receiving written feedback, all comments are recorded and addressed. A final protocol is produced, taking into account public comments and any further workgroup feedback.”
- Provision 2 Source 1, section 4.2.6, p.45: “Ongoing Public Feedback and Comments. After Board approval, the Reserve continues to solicit, document, and respond to public feedback and comments on the current version of the protocol. Comments and feedback on adopted protocols can be submitted to the Reserve at [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org). The public is also welcome to contact Reserve staff directly to discuss their comments and concerns. Public feedback and comments are assessed on an ongoing basis and may initiate a revision to a protocol.”

#### Assessment outcome

No (0 Points).

#### Justification of assessment

The program has only provisions in place regarding global public consultations/commenting periods at the protocol development level but not for individual projects. The indicator is therefore not fulfilled.

## Indicator 6.1.28

### Relevant scoring methodology provisions

“The program requires that input received through global public consultations of projects is publicly documented, that the project owners must take due account of the inputs received, and that it is publicly documented how inputs received are addressed.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online 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 1, section 4.2.4, page 45: “Public Review Period and Public Workshop. The revised draft protocol is posted on the Reserve’s website for a 30-day public comment period. The public is notified via the Reserve’s listserv database and other venues, and reviewers are asked to submit written comments. During the 30-day public review period, the Reserve also hosts a public workshop to solicit feedback and address concerns regarding the draft protocol in an open forum. After receiving written feedback, all comments are recorded and addressed. A final protocol is produced, taking into account public comments and any further workgroup feedback.”
- Provision 2 Source 1, section 4.2.6, page 45: “Ongoing Public Feedback and Comments. After Board approval, the Reserve continues to solicit, document, and respond to public feedback and comments on the current version of the protocol. Comments and feedback on adopted protocols can be submitted to the Reserve at [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org). The public is also welcome to contact Reserve staff directly to discuss their comments and concerns. Public feedback and comments are assessed on an ongoing basis and may initiate a revision to a protocol.”

### Assessment outcome

No (0 Points).

### Justification of assessment

Input from public consultation is protocolled and can be found on the website, including how the program responded to these comments. However, as for indicator 6.1.27 this does not apply to consultation on individual projects. The indicator is therefore not fulfilled.

## Indicator 6.1.29

### Relevant scoring methodology provisions

“The program requires that a validation and verification entity assesses whether the project owners have taken due account of all inputs received in the global stakeholder consultation.”

### Information sources considered

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### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

Neither the Verification Program Manual nor the protocols contain requirements for validation and verification entities to take account of comments provided via public stakeholder consultations on projects. In general, there are no provisions for stakeholder consultations as part of the verification process.

## Indicator 6.1.30

### Relevant scoring methodology provisions

“The program has established provisions that allow the public (both global and local project stakeholders) to submit comments to the program about a project at any time during project operation. This includes provisions for the program’s due consideration of the comments received and possible action to address the concern (e.g., halting the issuance of credits, deregistering the project, or requiring compensation for over-issuance).”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online 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 1, section 3.5.2, page 36: “For any project type, it is possible that a stakeholder may want to contact the Reserve to provide feedback, either positive or negative. For general feedback or inquiries, stakeholders may contact the Reserve at [atreserve@climateactionreserve.org](mailto:atreserve@climateactionreserve.org), or call the Reserve office at (213) 891-1444.”

### Assessment outcome

No (0 Points).

## Justification of assessment

The Reserve has provisions for feedback, but not for consideration of public comments by the project owner.

### Indicator 6.1.31

#### Relevant scoring methodology provisions

“The program provisions explicitly ban any violation of human rights by the project owner or any other entity involved in project design or implementation.”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 1.2, page 2: “In addition, the Reserve strives to ensure that the offset projects it registers are not harmful. Project activities should not cause or contribute to negative social, economic or environmental outcomes and ideally should result in benefits beyond climate change mitigation. Projects are encouraged to identify, measure, and report on any non-GHG benefits of the project activities, such as alignment with the United Nations’ Sustainable Development Goals or other identified co-benefits.”

#### Assessment outcome

No (0 Points).

## Justification of assessment

While the program applies a do no harm approach to their work, the program has no such explicit human rights provisions. The indicator is therefore not fulfilled.

### Indicator 6.1.32

#### Relevant scoring methodology provisions

The program has safeguards in place that require preserving and protecting cultural heritage in projects.

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf)

## Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise —of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve’s protocols, e.g., as part of the project definition or definition of eligible “project developers.” If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to

be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

“Do No Harm” Beyond Legal Requirements. In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The carbon crediting program’s approach to environmental and social safeguards is to rely “first and foremost” on legal requirements within the jurisdiction(s) where the project is implemented (Provision 1). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against “important” environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 1). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

Protocols for the project types assessed within this demo application do not contain any additional criteria in relation to cultural heritage. Whether the assessment of local laws during protocol development considered the specific aspects of this indicator is unclear from the publicly available documentation of the protocol development process. The indicator is therefore considered not to be fulfilled.

## **Indicator 6.1.33**

### **Relevant scoring methodology provisions**

“The program has safeguards in place in relation to health that at least address the need to avoid or minimize the risks and impacts to (community) health, safety and security that may arise from projects.”

### **Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 1.2, page 2, “Reserve Program Principles”: “The Reserve strives to ensure that the offset projects it registers are not harmful. Project activities should not cause or contribute to negative social, economic or environmental outcomes and ideally should result in benefits beyond climate change mitigation.”
- Provision 2 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve’s protocols, e.g., as part of the project definition or definition of eligible “project developers.” If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**“Do No Harm” Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The carbon crediting program’s approach to environmental and social safeguards is to rely “first and foremost” on legal requirements within the jurisdiction(s) where the project is implemented (Provision 2). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against “important” environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 2). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

Protocols for the project types assessed within this demo application do not contain any additional criteria in relation to health. Whether the assessment of local laws during protocol development considered the specific aspects of this indicator is unclear from the publicly available documentation of the protocol development process. The indicator is therefore considered not to be fulfilled.

## **Indicator 6.1.34**

### **Relevant scoring methodology provisions**

“The program provisions specifically require that projects avoid physical and economic displacement in its projects and that, in exceptional circumstances where avoidance is not possible, displacement occurs only with appropriate forms of legal protection and compensation as well as informed participation of those affected.”

## Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise —of the project with any law to the Reserve and the verification body. [...]

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve’s protocols, e.g., as part of the project definition or definition of eligible “project developers.” If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**“Do No Harm” Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs.”

Provision 2 Source 2, section 2.2, page 4: “Forest Owners and Project Operators. A Forest Owner is an individual or a corporation or other legally constituted entity, city, county, state agency, or a combination thereof that has legal control of any amount of forest carbon within the Project Area. Control of forest carbon means the Forest Owner has the legal authority to effect changes to forest carbon quantities, e.g., through timber rights or other forest management or land-use rights. Control of forest carbon occurs, for purposes of satisfying this protocol, through fee ownership and/or deeded encumbrances, such as conservation easements.

Multiple Forest Owners may exist with respect to a single Forest Project, since control of forest carbon may be associated with fee ownership or through one or more deeded encumbrances that exist within a Project Area, any one of which may convey partial control of the project’s forest carbon. Any unencumbered forest carbon is assumed to be controlled by the fee owner. Individuals or entities holding mineral, gas, oil, or similar de minimis interests in the forest carbon, are precluded from the definition of Forest Owner. A Project Operator must be one of the Forest Owners. The Project Operator is responsible for undertaking a Forest Project and registering it with the Reserve, and is ultimately responsible for all Forest Project reporting and attestations. The Project Operator executes the Project Implementation Agreement (see Section 3.6) with the Reserve. [...] The Reserve maintains the right to determine which individuals or entities meet the definition of “Forest Owner”.”

## Assessment outcome

No (0 Points).

## Justification of assessment

The carbon crediting program’s approach to environmental and social safeguards is to rely “first and foremost” on legal requirements within the jurisdiction(s) where the project is implemented (Provision 2). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against “important” environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 2). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

Protocols for the project types assessed within this demo application do not contain any additional criteria in relation to physical or economic displacement other than Provision 1 which states that the project developer needs to have legal rights to the land. Whether the assessment of local laws during protocol development considered the specific aspects of this indicator is unclear from the publicly available documentation of the protocol development process. The indicator is therefore considered not to be fulfilled.

## Indicator 6.1.35

### Relevant scoring methodology provisions

“The program has safeguards in place in relation to labour rights that at least require projects to ensure decent and safe working conditions, fair treatment, sound worker-management relationships and equal opportunity for workers.”

### Information sources considered

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### Relevant carbon crediting program provisions

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## Assessment outcome

No (0 Points).

## Justification of assessment

The program has no such specific labour rights provisions in place.

## Indicator 6.1.36

### Relevant scoring methodology provisions

“The program has safeguards in place in relation to environmental issues that at least address air pollution, water pollution, soil and land protection, waste management, and biodiversity.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period. The project developer is also required to disclose any and all instances of non-compliance—material or otherwise—of the project with any law to the Reserve and the verification body. [...]”

In developing environmental and social safeguard criteria and requirements for specific protocols, the Reserve applies the following general principles:

**Common Agency.** Environmental and social harms will only be considered in determining project eligibility to the extent that they can be attributed to the same agents (e.g., project developers, implementers or operators) in charge of implementing the project. Harms that may occur concurrently with a project, but are caused by other actors, will not be a factor in determining eligibility. The agents responsible, individually or collectively, for implementing projects will be determined during the protocol development process in consultation with stakeholders.

**Proximity.** Only environmental and social harms directly associated with a project activity (i.e., either physically or causally proximate) will be considered:

Harms directly caused by project activities, regardless of where the harms physically occur, will be a factor in determining eligibility.

Harms physically proximate to project activities but not directly caused by those activities may also be considered in determining eligibility if they are caused by agents responsible for project implementation. Such harms will be considered only if the agents are required by the relevant protocol to be involved in project implementation. Required agents will be specified in the Reserve’s protocols, e.g., as part of the project definition or definition of eligible “project developers.” If an agent is allowed, but not required, to be involved in project implementation, then physically proximate harms caused by that agent will not be considered (even if such an agent is directly involved with a particular project).

Harms caused by agents in charge of implementing a project that occur at sites or facilities not linked or co-located with the project will not be a factor in determining eligibility.

Both agency and proximity of effects will be considered in the protocol screening and development processes to identify and set clear standards for the application of this policy.

In determining whether environmental and social harms are occurring, the Reserve will use the following criteria:

**Legal Obligation.** The Reserve will rely first and foremost on legal requirements within the jurisdiction(s) where the project is implemented. Project agents that are found to be out of material compliance with applicable laws, regulations or other legal mandates that apply to the project itself or activities proximate to the project will be penalized.

**“Do No Harm” Beyond Legal Requirements.** In some cases, the Reserve may determine, in consultation with stakeholders, that existing legal requirements are insufficient to guarantee protection against important environmental and social harms. In these cases, the Reserve may include additional criteria in protocols to ensure that projects will not give rise to these harms, or may screen out certain project types or activities from eligibility under a protocol altogether. The Reserve coordinates with government agencies and environmental representatives to ensure that its climate-oriented projects complement other environmental policies and programs.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The program has no such specific provisions in place that completely address the issues from this indicator.

The carbon crediting program’s approach to environmental and social safeguards is to rely “first and foremost” on legal requirements within the jurisdiction(s) where the project is implemented (Provision 1). Where in the protocol development process a joint assessment with stakeholders finds that the existing legal requirements are insufficient to guarantee protection against “important” environmental and social harms, the program may add additional criteria in protocols as a safeguard to avoid these harms or exclude certain activities from eligibility under the protocol (Provision 1). There are no publicly available documents that define the process that must be applied when assessing whether existing legal requirements are sufficient or not. In particular, there are no publicly documented requirements on the specific harms that must be avoided at a minimum by local laws, for the program not to introduce additional safeguard criteria in protocols. The program further does not define what it considers “important” environmental or social harms.

Protocols for the project types assessed within this demo application do not contain any additional criteria in relation to environmental issues. Provision 1 is a general provision listing examples and not explicit requirements. Whether the assessment of local laws during protocol development considered the specific aspects of this indicator is unclear from the publicly available documentation of the protocol development process. The indicator is therefore considered not to be fulfilled.

### Indicator 6.1.37

#### Relevant scoring methodology provisions

“The program requires, at least for specific project types as defined by the program, the establishment of a specific benefits-sharing mechanism with local stakeholders (e.g., that part of carbon credit proceeds are made available for community activities).”

#### Information sources considered

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#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

#### Justification of assessment

The program has no such provisions in place.

### Indicator 6.1.38

#### Relevant scoring methodology provisions

“The program explicitly prohibits the introduction of invasive non-native species, where relevant (e.g. land use projects).”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “The Reserve requires project developers to demonstrate that their GHG projects will not undermine progress on other environmental issues such as air and water quality, endangered species and natural resource protection, and environmental justice. When registering a project, the project developer must attest that the project was in material compliance with all applicable laws, including environmental regulations, during the verification period.”

Provision 2 Source 2, section 3.9.2, page 14: “Natural Forest Management. All Forest Projects must promote and maintain a diversity of native species and utilize management practices that promote and maintain native forests comprised of multiple ages and mixed native species within the Project Area and at multiple landscape scales ("Natural Forest Management"). The following key requirements shall apply to all Forest Projects regardless of the silvicultural or regeneration methods that are used to manage or maintain the forest:

1. Forest Projects must show verified progress (verified at scheduled site visit verifications) towards native tree species composition and distribution requirements described below, consistent with the forest type and forest soils native to the Assessment Area.

2. Forest Projects must manage the distribution of habitat/age classes and structural elements, as described below, to support functional habitat for locally native plant and wildlife species naturally occurring in the Project Area.

Forest Projects must incorporate the criteria for Natural Forest Management throughout the project life.

[..] Project consists of at least 95% native species, or demonstrates continuous progress over 50 years toward 95% native species.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The program requires generally that project developers “to demonstrate that their GHG projects will not undermine progress on other environmental issues such as [...] endangered species” (Provision 1). Additionally, forest projects are required to achieve at a ratio of 95% native species (Provision 2). This leaves room for non-native species, which could be invasive. The program provisions thus do not explicitly ban the introduction of non-native species.

## Indicator 6.1.39

### Relevant scoring methodology provisions

“The program requires experts to support processes dedicated to avoiding physical and economic displacement and to free, prior and informed consent from indigenous people.

OR

The program requires experts to support all safeguard processes which are included in the program’s provisions.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 4, page 43: “The Reserve is committed to producing high quality GHG project accounting protocols, and to this end uses an intensive multi-stakeholder process to develop its protocols. This approach integrates extensive data collection and analysis with review and input from a diverse range of experts and stakeholders.”
- Provision 2 Source 1, section 4.2.1, page 44: “To initiate the protocol development process, the Reserve assembles a balanced multistakeholder voluntary workgroup, drawing from industry experts, state and federal agencies, environmental organizations, and other various stakeholders. Workgroups are assembled by invitation, but all parties are encouraged to express their interest in participating in the workgroup process. Throughout the protocol development process, the workgroup provides expert review and direct input into the development of the protocol.”
- Provision 3 Source 1, section 4.2.3, page 45: “The Reserve develops a draft protocol based on expert input and insights from an issue paper or the final options paper.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The program uses a standardized approach which relies foremost on legal requirements within the jurisdiction where the project is implemented (see for example indicator 6.1.33). The program involves experts at different stages of the protocol development process (Provision 1 to 3). Considering that safeguards are mainly applied in the program through national/local regulations, it is unclear to what extent experts will be involved in safeguard processes – especially at the project-level.

### Indicator 6.1.40

#### Relevant scoring methodology provisions

“The program provides specific guidance for how each of its safeguards should be applied (for example, similar to the guidance notes of the IFC).”

#### Information sources considered

-

**Relevant carbon crediting program provisions**

-

**Assessment outcome**

No (0 Points).

**Justification of assessment**

The program has no such provisions in place.

**Indicator 6.1.41**

**Relevant scoring methodology provisions**

“The program has a dedicated gender policy, strategy or action plan that integrates gender considerations and women empowerment into all aspects of its operations.”

**Information sources considered**

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**Relevant carbon crediting program provisions**

-

**Assessment outcome**

No (0 Points).

**Justification of assessment**

The carbon crediting program has no dedicated gender policy, strategy or action plan.

**Indicator 6.1.42**

**Relevant scoring methodology provisions**

“The program explicitly requires that stakeholder consultations are conducted in a gender sensitive manner, enabling equal participation.”

**Information sources considered**

-

### **Relevant carbon crediting program provisions**

-

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The program has no such provisions in place.

## **Indicator 6.1.43**

### **Relevant scoring methodology provisions**

“The program explicitly requires that project owners perform a gender safeguard assessment during project design.”

### **Information sources considered**

-

### **Relevant carbon crediting program provisions**

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### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The program mainly relies on national/local social and environmental regulation for protocol development. The program has no such explicit provision in place.

## **Scoring results**

According to the above assessment, the carbon crediting program achieves 2 points for the indicators. Applying the scoring approach of the methodology, this results in a score of 1 for the criterion.