

Application of the Oeko-Institut/WWF-US/EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: www.carboncreditquality.org

Criterion:	6.1 Robustness of the carbon crediting program's environmental and social safeguards
Carbon crediting program with complementary standard:	CAR + SDVISTA
Assessment based on carbon crediting program and complementary standard documents valid as of:	15 May 2022
Date of final assessment:	08 November 2022
Score:	2.69

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Assessment

This document presents the results of the assessment of sub-criterion 6.1 for the combination of the Climate Action Reserve (CAR) and Verra's Sustainable Development Verified Impact Standard (SDVISTa).

Approach to assessing combinations of carbon crediting programs with complementary standards

For assessing the combination of a carbon crediting program with a complementary standard, the following approach was taken:

1. The carbon crediting program and the complementary standard were assessed separately against all indicators of sub-criterion 6.1. The results of these two individual assessments are available in separate documents on the CCQI website.
2. When assessing the combination of the carbon crediting program with a complementary standard, there are three possible outcomes for each indicator:
 - a. Both the carbon crediting program and the complementary standard fulfill the indicator;
 - b. Either the carbon crediting program or the complementary standard fulfills the indicator;
 - c. Neither the carbon crediting program nor the complementary standard fulfills the indicator.
3. For assessment outcomes falling in categories a. and b., the indicator was deemed to be fulfilled for the combination of the carbon crediting program and the complementary standard and no further assessment was conducted.
4. For assessment outcomes falling into category c., an additional assessment was made whether the relevant provisions of the carbon crediting program and the complementary standard fulfill the indicator when looking at them in combination.

Scope of this assessment

This document presents the results of the additional assessment conducted when neither the carbon crediting program nor the complementary standard individually fulfill an indicator (assessment outcomes falling into category c. as described above).

To facilitate the navigation through this document, the table on the following page provides an overview which of the three categories presented above applies for each of the indicators of sub-criterion 6.1.

In this document, assessments are only provided for indicators that fall into category c. For all other indicators, the individual assessments for CAR and SDVISTa apply for deriving the respective indicator score of the combination (see respective detailed evaluations for sub-criterion 6.1 for CAR and SDVISTa on the CCQI website).

Indicator	Outcome category for the indicator (see explanation above)
6.1.1	b
6.1.2	c
6.1.3	c
6.1.4	c
6.1.5	a
6.1.6	b
6.1.7	b
6.1.8	b
6.1.9	b
6.1.10	c
6.1.11	b
6.1.12	b
6.1.13	c
6.1.14	c
6.1.15	b
6.1.16	b
6.1.17	b
6.1.18	c
6.1.19	b
6.1.20	c
6.1.21	c
6.1.22	b
6.1.23	b
6.1.24	b
6.1.25	c
6.1.26	b
6.1.27	b
6.1.28	b
6.1.29	b
6.1.30	b
6.1.31	c
6.1.32	c
6.1.33	c
6.1.34	c
6.1.35	b
6.1.36	c
6.1.37	c
6.1.38	c
6.1.39	c
6.1.40	c
6.1.41	c
6.1.42	b
6.1.43	c

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 2 SDVista Project Description Template. Version 1.0. Document issued 22 January 2019. Online available at: <https://verra.org/project/sd-vista/rules-requirements/>
- 3 SDVista Monitoring Report Template. Version 1.0. Document issued 22 January 2019. Online available at: <https://verra.org/project/sd-vista/rules-requirements/>
- 4 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 3.1, page 14: “3.1.1 The following shall be included in the project description for each of the stakeholder groups identified in Section 2.2.2 above:

- 1) Conditions at the project start date with respect to social, economic and cultural diversity within and between the stakeholder groups and the interactions between stakeholder groups.
- 2) Significant changes in these elements the past.

This information represents the project’s baseline scenario for People and their Prosperity.

3.1.2 Project proponents shall monitor impacts depicted in the causal chain of a project’s activities on all stakeholder groups. Benefits, costs and risks to all stakeholder groups shall be identified using a participatory and transparent process. [..]

3.1.4 The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project’s impacts, including:

- 1) Changes in stakeholders’ well-being due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts to stakeholder groups.
- 2) Any SDG target(s) associated with people and their prosperity identified in Section 2.1.2 above and any stakeholders’ well-being benefits that will be used as SD VISTA claims or assets.”

Provision 2 Source 1, section 3.2, page 15: “3.2.1 Conditions and possible threats to natural capital at the project start date shall be documented in the project description. This information represents the project’s baseline scenario for Planet.

3.2.2 Project proponents shall monitor direct impacts depicted in a causal chain of a project’s activities on natural capital and ecosystem services, including expected and actual, benefits, costs and threats. To the extent that there are stakeholders of the natural capital and/or ecosystem services affected by the project, these benefits, costs and risks should be identified with them using a participatory and transparent process.

[..]

3.2.4 The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project’s impacts, including:

1) Changes in natural capital and ecosystem services due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts on natural capital and ecosystem services.

2) Any SDG target(s) associated with the planet identified in Section 2.1.2 above and any natural capital and ecosystem services benefits that will be used as SD VISTa claims or assets.

Provision 3 Source 4, 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 4 Source 4, 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 types of impacts to be identified and mitigated are not clearly listed in the SDVISTA provisions. Instead, it is up to the project owner to define the impact categories in the project description or monitoring template (Source 2 and 3). The standard, however, prescribes that "impacts depicted in the causal chain of a project's activities on all stakeholder groups" and "on natural capital and ecosystem services" shall be identified and mitigated (Provision 1 and 2). Regarding social impacts, Provision 1 further refers to "benefits, costs and risks to all stakeholder groups" as well as any "changes in stakeholders' well-being due to project activities". Regarding environmental impacts,

Provision 2 further refers to “expected and actual, benefits, costs and threats”. These provisions do not represent a clear definition or listing of the impacts.

The overall provisions of CAR are relatively generic (Provision 3). 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 4). 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 4). 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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.
- 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

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.3, page 9: “Principle. Project proponents shall ensure that sufficient human, financial and organizational resources are available for effective sustainable development benefit delivery per a project’s design.
Criteria.

2.3.1 Project proponents shall document in the project description, and update in monitoring reports as may be appropriate, distinct roles and responsibilities of all the entities involved in project design and implementation.”

- Provision 2 Source 2, 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 3 Source 3, 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 4 Source 4, 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

The CCBS requires that project owners document in the project descriptions and the monitoring reports roles and responsibilities of project design and implementation (Provision 1). Although the latter theoretically include the identification and mitigation of environmental and social safeguards (Indicator 6.1.1), the provision to assign roles and responsibilities could be strengthened and elaborated to make it clear that project owners need to explicitly assign roles/responsibilities for the management of environmental and social impacts. There was no CAR provision found which requires project owners to assign roles and responsibilities for managing and mitigating environmental impact. The indicator is thus considered to be not fulfilled by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 2 Verification Program Manual (Feb.2021): 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 2.3, page 9: “Principle. Project proponents shall ensure that sufficient human, financial and organizational resources are available for effective sustainable development benefit delivery per a project’s design.”

Provision 2 Source 2, 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

This indicator assesses whether the carbon crediting program assesses the institutional capacities of the project owner to identify and manage the environmental and social risks associated with the project. Managing environmental and social risks is often a complex process that requires expert knowledge and the ability to proactively engage with a wide set of stakeholders with sometimes competing interests. Project owners who have institutionalized environmental and social risk management processes and can rely on established in-house capacities (or established and dependable networks with external expertise) are likely better positioned to ensure that safeguards are adhered to during project implementation. CAR 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. While the SDVISTA requires project owners to have sufficient “resources” to deliver the sustainable development benefits (Provision 1), no requirements matching the indicator were identified during the assessment of relevant SDVISTA provisions. The indicator is therefore not fulfilled.

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

While SDVISTA requires the inclusion of safeguards in the monitoring plan etc. (Indicator 6.1.9), there are no provisions that require a dedicated environmental and social management plan for projects that have high environmental and social risks. CAR has no such provisions in place. The indicator is not fulfilled.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 8: “Grievance Redress Procedure.

2.2.14 Projects shall establish a clear feedback and grievance redress procedure to address disputes with stakeholders that may arise during project planning and implementation. The feedback and grievance redress procedure shall take into account traditional methods that stakeholders use to resolve conflicts.

2.2.15 The feedback and grievance redress procedure shall be set out in the project description as well as publicized and accessible to all project stakeholders, including any interested stakeholders. Grievances and project responses, including any redress, shall be documented in the next project description or monitoring report.”

Assessment outcome

No (0 Points).

Justification of assessment

The SDVISTA does not require the option to provide anonymous feedback or grievances to project owners (Provision 1). CAR has no such provisions in place. The indicator is therefore not fulfilled.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 2 Verra Complaints and Appeals Policy- Version 1.0. Online available at: <https://verra.org/wp-content/uploads/2019/01/Verra-Complaints-and-Appeals-Policy-v1.0.pdf>
- 3 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 2.2.15, page 8: “Grievance Redress Procedure. [..]

The feedback and grievance redress procedure shall be set out in the project description as well as publicized and accessible to all project stakeholders, including any interested stakeholders. Grievances and project responses, including any redress, shall be documented in the next project description or monitoring report.”

Provision 2 Source 2, section 1 “Complaints”, page 1: “A complaint is an objection to a decision taken by Verra or an aspect of how it operates a program(s) managed by Verra, or a claim that relevant program rules have had an unfair, inadvertent or unintentional adverse effect. Stakeholders are provided with the following complaints procedure:

1) The complaint shall include the following information:

- a) Name of the complainant.
- b) Name of organization, where relevant.
- c) Contact information for the complainant.
- d) Details of the complaint.
- e) Declaration of any conflict of interest in submitting the complaint.

2) The complaint shall be addressed to the appropriate program manager listed on the Verra website and emailed to secretariat@verra.org with the word complaint in the subject line. An email response is provided to the complainant from Verra acknowledging receipt of the complaint.

3) Verra appoints an appropriate person to handle the complaint, who will organize an analysis (involving external experts, as required) and determine any appropriate action required.

4) Verra prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the Verra Chief Executive Officer (CEO).

Provision 3 Source 3, 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 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

No (0 Points).

Justification of assessment

Grievances received by the project owner need to be documented in the next project description or monitoring report of SVISta (Provision 1). However, the phrasing in Provision 1 is unclear whether project owners are required to respond to all grievances. There is also no specific response time given for grievances submitted to the program (Verra) (Provision 2). CAR has no provisions in place that require the project owner or carbon crediting program to respond to grievances within a specific response time. The indicator is therefore 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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 7: “Box 3: Guidance on Effective Consultation. [...] Stakeholder groups should have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design, both before the project design is finalized and during implementation.”

Provision 2 Source 2, section 2.3.3, page 5: “Stakeholder Consultation.

Describe the steps taken to assess the project’s process for conducting effective consultation. Provide an assessment as to whether:

- The project’s process was appropriate for each stakeholder group;
- Information about potential costs, risks and benefits was appropriately shared with each group;
- Each group had an opportunity to influence project design; and
- The project dedicated particular attention to optimizing benefits for any marginalized and vulnerable groups.

Provide and justify an overall conclusion regarding the project’s process for conducting effective stakeholder consultations.”

Provision 2 Source 2, 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 3 Source 2, 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

The complementary standard requires that consultations are conducted before the project design is finalized and during implementation in order to provide input on the project design (Provision 1). This includes, for example, that the project owner would have to consult stakeholders if any further changes to the project design occur after the initial posting for validation public comment. As part of the validation process, the stakeholder consultations are reviewed and thus have to be conducted before validation (Provision 2) Project developers can however make an internal decision to proceed (i.e. invest) in a project before finalising the project design. The provision therefore does not meet the requirement of the indicator to conduct stakeholder consultation before this decision. It is not explicitly required to conduct local stakeholder consultations under CAR, but they may be part of the compliance with environmental regulations. Even though “individual protocols *may* include additional requirements for local stakeholder consultations” [emphasis added], source 1) the US Forest and Landfill Project Protocol do not include such requirements.

The indicator is therefore not fulfilled by the combination of CAR with SDVISTA.

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

- 1 SDVISTA Validation Report Template. Version 1.0. Document issued on 25 September 2019. Online available at: <https://verra.org/project/sd-vista/rules-requirements/>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.3.3, page 5: “Stakeholder Consultation.

Describe the steps taken to assess the project's process for conducting effective consultation. Provide an assessment as to whether:

- The project's process was appropriate for each stakeholder group;
- Information about potential costs, risks and benefits was appropriately shared with each group;
- Each group had an opportunity to influence project design; and
- The project dedicated particular attention to optimizing benefits for any marginalized and vulnerable groups.

Provide and justify an overall conclusion regarding the project's process for conducting effective stakeholder consultations."

Assessment outcome

No (0 Points).

Justification of assessment

The provision "each group had an opportunity to influence project design" (Provision 1) is considered not to provide a clear requirement for VVBs to assess whether due account has been taken of all inputs received. The provision for global stakeholder consultations (see indicator 6.1.29) are for example much clearer in this respect. CAR has no such provisions in place as there is no explicit requirement for local stakeholder consultations on a project-by-project basis.

The indicator is therefore not fulfilled by the combination of CAR with SDVISTA.

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

- 1 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.2, page 7: "Box 3: Guidance on Effective Consultation. [...] Stakeholder groups should have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide

input on the project design, both before the project design is finalized and during implementation.”

Provision 2 Source 1, section 2.2.6, page 7: “All communications, consultations and participatory processes shall be undertaken with stakeholders directly or through their legitimate representatives, ensuring adequate and timely levels of information sharing with the members of the stakeholder groups in a form they understand. Information sharing shall include provision of information about potential costs, risks and benefits to all stakeholder groups.”

Assessment outcome

No (0 Points).

Justification of assessment

CAR has no such provisions in place as there is no explicit requirement for local stakeholder consultations on a project-by-project basis. Provision 1 of SDVISTA states that stakeholders shall have the opportunity to influence the project design but does not explicitly include a requirement for sharing documents before the consultation. Provision 2 requires “timely levels of information sharing” which also does not explicitly require – and might only imply that – project owners have to share the project design document and other relevant documents before the consultation. Further, the requirement to share “information about potential costs, risks and benefits to all stakeholder groups” does not necessarily include the sharing of the project design document. The standard’s provisions could be strengthened and clarified regarding this indicator. The indicator is thus considered to not be fulfilled by the combination of CAR with SDVISTA.

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 SDVISTA Validation Report Template. Version 1.0. Document issued on 25 September 2019. Online available at: <https://verra.org/project/sd-vista/rules-requirements/>
- 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.
- 3 Verification Program Manual (Feb.2021): 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 1.9, page 2: “1.9 Site Inspections.

Describe the method and objectives for on-site inspections performed. Include in the description details of all project activity locations visited, the physical and organizational aspects of the project inspected and the dates when such site inspections took place.”

Provision 2 Source 1, section 2.3, page 4: “2.3.1 Stakeholder Identification.

Describe the steps taken to assess the process of stakeholder identification and analysis used to identify stakeholders and stakeholder groups. Include details of documentation assessed and observations made during the site visit. Provide a conclusion as to whether the process is likely to identify all stakeholders who will be impacted by the project activities.

2.3.2 Stakeholder Description.

Describe the steps taken to assess that all stakeholders and stakeholder groups that are included in the project, or may be included through the grouped project approach at a later time, were identified and described appropriately in the project description.

2.3.3 Stakeholder Consultation.

Describe the steps taken to assess the project’s process for conducting effective consultation. Provide an assessment as to whether:

- The project’s process was appropriate for each stakeholder group;
- Information about potential costs, risks and benefits was appropriately shared with each group;
- Each group had an opportunity to influence project design; and
- The project dedicated particular attention to optimizing benefits for any marginalized and vulnerable groups.

Provide and justify an overall conclusion regarding the project’s process for conducting effective stakeholder consultations.”

Assessment outcome

No (0 Points).

Justification of assessment

CAR does not require that project validation and verification entities proactively consult with affected stakeholders during audits. The SDVISTA requires that a site visit is conducted during the validation process (Provision 1). It is, however, not mentioned if the site visit referred to in the stakeholder section of the validation template (Source 1) includes contact or engagement with local stakeholders (Provision 2). Further, the validation entity shall check the robustness of the stakeholder consultation process, but it is not prescribed how that should be done and if that includes a direct contact and engagement with local stakeholders. The indicator is therefore considered not be fulfilled by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 7: “Anti-Discrimination.

2.2.9 Appropriate measures shall be taken to ensure that the project proponent and all other entities involved in project design and implementation are not involved or complicit in any form of discrimination⁴ or sexual harassment with respect to the project.

Footnote 4: Discrimination may include but is not limited to that based on gender, race, religion, sexual orientation or other habits.”

Provision 2 Source 2, 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

The SDVISTa bans any form of discrimination, but does not explicitly ban any violation of human rights. While CAR applies a do no harm approach to their work, the program has no such explicit human rights provisions. The indicator is therefore not fulfilled by the combination of CAR with SDVISTa.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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

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

There was no specific requirement for projects found in SDVISTa provisions to preserve and protect cultural heritage. CAR’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 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 by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.1, page 14: “Principle.

The project proponent demonstrates net positive well-being impacts for all stakeholders directly affected by their project’s activities. [..]

3.1.4 The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project’s impacts, including:

- 1) Changes in stakeholders’ well-being due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts to stakeholder groups.”

Provision 2 Source 1, section 3.1.5, page 15: “Net stakeholder well-being impacts of a project shall be positive for all stakeholder groups.”

Provision 3 Source 2, 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 4 Source 2, 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

SDVISTA’s overall goal is to create net-benefits for stakeholders and regarding environmental impacts. For social impacts, this includes the well-being of stakeholders (Provision 2). It is required to mitigate negative impacts on stakeholder groups and their well-being (Provision 1). There are no specific safeguards regarding health found in the program provisions – for example a list of specific health or safety aspects to consider for the project owners.

CAR’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 3). 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 3). 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 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 by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>

- 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.
- 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>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4, page 10: “Respect for Rights to Lands, Territories and Resources and Free, Prior and Informed Consent.

2.4.2 All property rights shall be recognized, respected and supported. Projects shall not encroach uninvited on private property, community property (including lands, territories and resources to which communities have collective rights, either customary or statutory), or government property.”

Provision 2 Source 1, section 2.4, page 10: “ 2.4.4 Appropriate restitution or compensation for financial and non-financial costs of the loss of land (e.g., loss of culture or loss of business opportunity) shall be allocated to any parties whose lands or access to resources have been or will be negatively affected by a project.”

Provision 3 Source 1, section 2.4, page 11: “2.4.5 Project activities shall not lead to involuntary removal or relocation of property rights holders from their lands or territories and shall not force property rights holders to relocate activities important to their culture or livelihood. Where any relocation of habitation or activities important to their culture or livelihood is undertaken within the terms of an agreement, the project proponent shall demonstrate in the project description (or monitoring report, where relevant) that the agreement was made with the free, prior and informed consent of those concerned and includes provisions for just and fair compensation.⁶

Footnote 6: In accordance with Article 28 of the UN Declaration on the Rights of Indigenous Peoples, unless otherwise agreed upon, compensation shall be in the form of lands, territories or resources equivalent in quality, size and legal status to those taken. When such compensation is not available, monetary compensation is appropriate. This principle is consistent with Article 16 of the International Labour Organization’s Indigenous and Tribal Peoples Convention, 1989 (No. 169): Convention concerning Indigenous and Tribal Peoples in Independent Countries (available at http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169.)”

Provision 4 Source 1, section 2.4, page 10: “ 2.4.3 The free, prior and informed consent shall be obtained of those whose property rights are affected by a project through a transparent, agreed process. See Box 4 below for more information on free, prior and informed consent. [..]”

Provision 5 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 6 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 SDVISTa requires project owners to respect property rights (Provision 1). In general, “involuntary removal or relocation of property rights holders” or the relocation of activities important to culture or livelihood shall not occur (Provision 3). If any loss of land or resources occurs, an “appropriate restitution or compensation for financial and non-financial costs” is required as well as free, prior and informed consent if property rights are affected at all (Provision 2 and 4). However, as the provisions are only about involuntary relocations, a requirement that displacement shall be avoided, and only allowed in exceptional circumstances, is missing. CAR’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 5). 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 6). 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 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 by the combination of CAR with SDVISta.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.2.4, page 15: “The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project’s impacts, including:
- 1) Changes in natural capital and ecosystem services due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts on natural capital and ecosystem services.
 - 2) Any SDG target(s) associated with the planet identified in Section 2.1.2 above and any natural capital and ecosystem services benefits that will be used as SD VISta claims or assets.
- All estimates of project impact shall be based on clearly defined and defensible assumptions.”
- Provision 2 Source 1, section 3.2.5, page 16: “Net impacts on natural capital and ecosystem services directly affected by the project shall be positive.”
- Provision 3 Source 2, 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

Generally, the SDVISTA requires projects to have a net positive impact on the environment (Provision 2). Environmental impacts shall be assessed and mitigated (Provision 1). However, from the phrasing “Changes in natural capital and ecosystem services” it is not clear if the aspects, required by this indicator, are included. The unclear and open definition of environmental impacts, and consequently safeguards, is also reflected in the assessment of indicator 6.1.2.

CAR 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 3). 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 3). 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 do not contain any additional criteria in relation to environmental issues. Provision 3 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 by the combination of CAR with SDVISTA.

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

- 1 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4, page 10: “2.4.3 Box 4: Definition of Free, Prior and Informed Consent.

Free means no coercion, intimidation, manipulation, threat and bribery.

Prior means sufficiently in advance of any authorization or commencement of activities and respecting the time requirements of any decision-making processes.

Informed means that information is provided that covers (at least) the following aspects:

- The nature, size, pace, reversibility and scope of any proposed project or activity;
- The reason(s) or purpose of the project and/or activity;
- The duration of the above;
- The locality of areas that will be affected;
- A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle;
- Personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees and others); and
- Procedures that the project may entail.”

Provision 2 Source 1, section 2.2, page 8: “Worker Relations.

2.1.10 Orientation and training shall be provided for a project’s workers and individual stakeholders involved in carrying out project activities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity-building efforts should target a wide range of people from among the stakeholders. Training shall be passed on to new workers when there is staff turnover, so that local capacity will not be lost. Special attention shall be given to marginalized and/or vulnerable people.”

Assessment outcome

No (0 Points).

Justification of assessment

The standard promotes capacity-building in the local population during worker trainings (Provision 2). While this might indirectly imply that local stakeholders might be employed by an SDVISTa project, the provision is not explicit enough to count as a benefit sharing mechanism. Furthermore, the requirements for free, prior and informed consent foresee the assessment of “potential risks and fair and equitable benefit sharing” (Provision 1). However, there is no dedicated benefit-sharing

mechanism required for projects. CAR has no such provisions in place. The indicator is therefore not fulfilled by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 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>.
- 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>

Relevant carbon crediting program provisions

- Provision 1 Source 2, 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 3, 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

No such provision could be found for SDVISTA. CAR 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 *invasive* non-native species. The indicator is not fulfilled by the combination of CAR with SDVISTA.

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 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 2 SDVISTA Program Guide. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/SD-VISta-Program-Guide-v1.0.pdf>
- 3 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 3, 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 3, 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 3, 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 were no such provisions for SDVISTA found. CAR 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 extend experts will be involved in safeguard processes – especially at the project-level. The indicator is not fulfilled by the combination of CAR with SDVISTA.

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

- 1 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>
- 2 SDVISTA Program Guide. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/SD-VISTA-Program-Guide-v1.0.pdf>

Relevant carbon crediting program provisions

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Assessment outcome

No (0 Points).

Justification of assessment

The carbon crediting program and the complementary standard have no such specific guidance on safeguards.

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

- 1 SDVISTA Program Guide. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/SD-VISta-Program-Guide-v1.0.pdf>
- 2 Verra - Who We Are – Important Policies

Relevant carbon crediting program provisions

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Assessment outcome

No (0 Points).

Justification of assessment

CAR and SDVISTA have no dedicated gender policy. The indicator is not fulfilled.

Indicator 6.1.43

Relevant scoring methodology provisions

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

Information sources considered

- 1 Sustainable Development Verified Impact Standard. Version 1.0. Document issued on 22 January 2019. Online available at: <https://verra.org/wp-content/uploads/2019/01/Sustainable-Development-Verified-Impact-Standard-v1.0.pdf>

Relevant carbon crediting program provisions

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Assessment outcome

No (0 Points).

Justification of assessment

SDVISTA has no such provision in place. CAR mainly relies on national/local social and environmental regulation for protocol development. The program has no such explicit provision in place. The indicator is not fulfilled by the combination of CAR with SDVISTA.

Scoring results

According to the above assessment, none of the indicators, for which neither the carbon crediting program nor the complementary standard received points in their individual assessment, are fulfilled when looking at their provisions in combination. The assessment of these indicators therefore yields no additional points. When combining these assessment results with the individual assessments from both the carbon crediting program and the complementary standards (for indicators in categories a and b), this results in a total point score of 24 for the combination of the carbon crediting program and complementary standard. Applying the scoring approach in the methodology, this results in a score of 2.69 for this criterion.