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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:	6.2 Sustainable development impacts of the project type or project
Project type:	Leak repair in natural gas transmission and distribution systems
Date of final assessment:	31 January 2023
Score:	LDCs/SIDS: 3.47 Other countries: 2.47

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Assessment

Relevant scoring methodology provisions

The methodology assesses the extent to which a specific project or project type contributes to or hinders the achievement of each of the 17 Sustainable Development Goals (SDGs), with the exception of Goal 13 on climate action which is the primary goal of the climate mitigation projects. To assess the impacts of a project type or individual project on each SDG, the methodology draws on a seven-point ordinal scale for each SDG (see further details in the methodology). The following table illustrates the scale from -3 to +3 points to assess the impact or influence of a project type or individual project on each individual SDG goal:

Impact of the project on the SDG goal	Points
Indivisible: The successful implementation of the project automatically delivers progress on this SDG goal.	+3
Reinforcing: The successful implementation of the project directly makes it easier to make progress on this SDG goal.	+2
Enabling: The successful implementation of the project indirectly creates conditions that enable progress on this SDG goal.	+1
Consistent: There is no significant link between the project and this SDG goal.	±0
Constraining: The successful implementation of the project constrains the options for how to deliver on this SDG goal.	−1
Counteracting: The successful implementation of the project makes it more difficult to make progress on this SDG goal.	−2
Cancelling: The successful implementation of the project automatically leads to a negative impact on this SDG goal.	−3

As an additional step of the evaluation, it is assessed whether the project is implemented in Least Developed Countries or Small Island Developing States, which are recognized to face special circumstances that require additional support. Projects implemented in these countries receive an upgrade of one score point (e.g. from 3 to 4) in the overall evaluation of criterion 6.2. Note that the overall score cannot exceed 5.

Information sources considered

1 SDG Climate Action Nexus Tool (SCAN-tool)

2 Review of descriptions of different individual carbon credit projects

3 West et al. (2006) - Global health benefits of mitigating ozone pollution with methane emission controls. Online available at: https://www.pnas.org/doi/full/10.1073/pnas.0600201103

Assessment

The criterion is here assessed at the level of the project type, noting that the actual impacts may differ substantially between individual projects. The assessment thus aims to provide a picture of the typical impacts of the relevant project type. The project type is characterized as follows:

" Implementation of a system to inspect, measure and repair leaks of above ground components of natural gas transmission and distribution systems. In the baseline scenario, advanced leak detection

and repair is not be performed on all infrastructure and leaks. The project type reduces emissions by reducing the amount of methane leaking into the atmosphere."

The assessment results are summarized in the below table.

SDG	Points	Justification
Goal 1: No Poverty	0	No interaction.
Goal 2: Zero Hunger	0	No interaction.
Goal 3: Good Health and Well-being	+2	Leakage of methane can contribute to smog formation and negative health impacts through surface ozone formation. The project type thus reduces the environmental impact and potentially impacts on health if humans live or work close to pipelines (target 3.9).
Goal 4: Quality Education	0	No interaction.
Goal 5: Gender Equality	0	No interaction.
Goal 6: Clean Water and Sanitation	0	No interaction.
Goal 7: Affordable and Clean Energy	1	Reducing methane losses contributes to more efficient use of energy from natural gas production (target 7.3).
Goal 8: Decent Work and Economic Growth	2	Reduced methane losses support more efficient use of resources and reduces environmental harm from energy use (target 8.4).
Goal 9: Industry, Innovation and Infrastructure	2	Reduced transmission and distribution losses help upgrade infrastructure and increase sustainability and resource-efficiency of industries as well as adopting cleaner technologies (targets 9.2 and 9.4). The project type also contributes to having sustainable and resilient infrastructure that supports economic development and human well-being (target 9.1).
Goal 10: Reduced Inequality	0	No interaction.
Goal 11: Sustainable Cities and Communities	0	No interaction.
Goal 12: Responsible Consumption and Production	2	The project type helps to reduce losses and related resources needed for power generation (target 12.2).
Goal 14: Life Below Water	0	No interaction.
Goal 15: Life on Land	0	No interaction.
Goal 16: Peace and Justice Strong Institutions	0	No interaction.
Goal 17: Partnerships to achieve the Goal	0	No interaction.
Total points achieved: 9		

The project type receives 9 points in the SDG impact evaluation. Furthermore, none of the goals is assessed with a score of -3. Using the scoring approach in the methodology, this results in a score of 2.68. If the underlying project is implemented in a Least Developed Country or Small Island Developing State, the score is upgrade by one point, resulting in an overall score of 3.68.