

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

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

Criterion:	<a href="#">2.1: Robust registry and project database systems</a>
Carbon crediting program:	<a href="#">CAR</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">30 June 2021</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">5</a>

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## Assessment

### Indicator 2.1.1.

#### Relevant scoring methodology provisions

“The registry is capable of securely effectuating the issuance, transfer, and cancellation of carbon credits.”

#### Information sources considered

- 1 Reserve Offset Program Manual, March 2021, available at [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](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 2.9: “The registry itself is designed to mitigate the risk of double counting through transparency. Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT retirements and view the serial numbers, as well as the reason for retirement. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions.”

#### Assessment outcome

Yes (1 Point).

#### Justification of assessment

There is no way for the project team to independently assess the security of the registry. No issues relating to a lack of security of the registry have been reported. The indicator is therefore considered to be fulfilled.

### Indicator 2.1.2

#### Relevant scoring methodology provisions

“The registry tags each carbon credit with a unique identifier (e.g., serial number) and each carbon credit is clearly associated with a specific issuance.”

#### Information sources considered

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

- 2 Serial Number Guide, available at <https://www.climateactionreserve.org/how/projects/serial-number-guide/>

### Relevant carbon crediting program provisions

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

Provision 2 Source 2:

Identifier	Description	Range of Values
Originating Registry	Alphanumeric used to identify the registry originally issuing project credits. If transfer agreements between additional registries are created in the future, they would use other codes.	CAR = Climate Action Reserve
Unit type	Identifier of the type of offset credit issued	1 = Climate Reserve Tonne (CRT) ROC = Registry Offset Credit
Project Country	Two-letter ISO country codes	US = United States MX = Mexico
Project ID	Number assigned by the Reserve to identify the project; unique to the originating registry	
Project Type	Number identifying the project category	1 = Forest Conservation-Based Management 2 = Forest Conservation 3 = Reforestation 4 = Landfill Gas Capture/Combustion 5 = Livestock Gas Capture/Combustion 6 = Improved Forest Management 7 = Avoided Conversion 22 = Urban Forestry – Municipality 23 = Urban Forestry – Educational Campus 24 = Urban Forestry – Utility 27 = Organic Waste Digestion 28 = Coal Mine Methane – VAM 29 = Coal Mine Methane – Drainage 30 = Nitric Acid N <sub>2</sub> O- Secondary Catalyst 31 = Nitric Acid N <sub>2</sub> O- Tertiary Catalyst 32 = Ozone Depleting Substances – U.S

		<p>33 = Ozone Depleting Substances – Article 5 Imports</p> <p>34 = Rice Cultivation</p> <p>36 = Nitrogen Management</p> <p>102 = Reforestation – ARB Compliance</p> <p>105 = Livestock – ARB Compliance</p> <p>122 = Municipality – ARB Compliance</p> <p>123 = Educational Campus – ARB Compliance</p> <p>124 = Utility – ARB Compliance</p> <p>125 = Improved Forest Management – ARB Compliance</p> <p>126 = Avoided Conversion – ARB Compliance</p> <p>132 = Ozone Depleting Substances – U.S. – ARB Compliance</p>
Project Developer ID	Number assigned by the Reserve for the project developer; unique to the originating registry	
Project State Abbreviation	Two-letter state abbreviation	
Vintage	Year the emission reduction/removal occurred	Format = YYYY
Batch Number	Number assigned to each batch of offsets created; unique to the originating reserve	1 – 99,999
Unit Serial Block Start	Numbers assigned by the Reserve	1 – 999,999,999
Unit Serial Block End	Numbers assigned by the Reserve	1 – 999,999,999

**Assessment outcome**

Yes (1 Point).

**Justification of assessment**

The above documentation specifies that the indicator is fulfilled.

**Indicator 2.1.3**

**Relevant scoring methodology provisions**

“The program has established procedures to clearly identify the owner of a carbon credit, including which entities are entitled to request for the issuance, transfer or cancellation of a carbon credit.”

## Information sources considered

- 1 Climate Action Reserve, Terms of Use (2014), available at <https://www.climateactionreserve.org/wp-content/uploads/2009/03/Final-TOU-1-2014..pdf>
- 2 Climate Action Reserve, Reserve user guide (2016), available at <https://www.climateactionreserve.org/wp-content/uploads/2016/08/2016-Reserve-User-Guide-1.pdf>
- 3 Reserve Offset Program Manual, March 2021, available at [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf)
- 4 CAR registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>

## Relevant carbon crediting program provisions

- Provision 1 Source 2, section 2.2: “A project developer is an organization or individual that wishes to develop projects that generate GHG offsets. This user type can transfer and manage offset credits. A project developer must hold legal title and all beneficial ownership rights with respect to all offset credits issued to its projects or transferred to its account from another account holder”.
- Provision 2 Source 2, section 11: “After a project developer has submitted a project for final approval, the Reserve reviews the verification documentation and either approves the project for registration or requires a resubmittal of project data or verification documentation. [...] After the project has received final approval from the Reserve and is registered, the offset credits are issued into a holding account denoted as the Pending account in the Reserve software. [...] In order to be issued the credits, log in to the Reserve system and click on the credits in the Pending account in the Account Balances module. [...] Once the issuance fee invoice has been paid, offset credits in a project developer account can do the following: Transfer credits to another project developer account; Transfer credits to a trader/broker/retailer account; Transfer credits to a compliance program for conversion; Retire the credits”.
- Provision 3 Source 2, section 12.4: “In most instances, an account holder may only hold offset credits over which it has sole legal title and beneficial ownership rights. Beneficial ownership is enjoyed by anyone who has the benefits of ownership of an offset credit, and yet does not nominally own the asset itself (i.e., it is not held in their own account). See Section 14.2 for information regarding the retirement of offset credits on behalf of third parties.”
- Provision 4 Source 1, section 9: “(A) User will hold or retire in its account(s) CRSs and/or ROCs for which it is the sole holder of all legal title and al Beneficial Ownership Rights, and (B) User may not hold any account(s), or hold or retire in its account(s) any CRTs and/or ROCs on behalf of one or more third parties [...]”.
- Provision 5 Source 3, section 2.9: “Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT

retirements and view the serial numbers, as well as the reason for retirement. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions”.

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The above provisions clearly outline the procedures to identify the owner of a carbon credit and which entities hold rights to request for the issuance, transfer or cancellation of a carbon credit. Additionally, the registry (source 4) includes two columns for documenting the “project owner” and the “project developer”.

### Indicator 2.1.4

#### Relevant scoring methodology provisions

“The registry or project database system makes relevant information on carbon credits readily available to users and the public in a user-friendly format, including:

- a. The project to which the carbon credit was issued, including unique identifying information about the project
- b. The host country of the relevant project (i.e., the country where the project is implemented)
- c. Information on the status of the credit (e.g., cancelled or active).”

#### Information sources considered

- 1 Reserve Offset Program Manual, March 2021, available at [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf)
- 2 CAR registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>

#### Relevant carbon crediting program provisions

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

### Assessment outcome

- a. Yes (1 Point)
- b. Yes (1 Point)
- c. Yes (1 Point)

### Justification of assessment

The registry contains inter alia the following columns:

- Project ID
- Project Name
- Project Developer
- Project Owner
- Project site state
- Project site country
- Total offset credits issued
- Offset credits currently in reserve buffer pool
- Offset credits intended for ARB buffer pool
- Offset credits converted to VCUs
- Canceled for ARB compliance
- Canceled
- Project website
- Documents

Additionally, the registry can be displayed according to “credit status”, showing the status of each credit issued. The indicator is therefore fulfilled.

### Indicator 2.1.5

#### Relevant scoring methodology provisions

“The program has established provisions that identify, or allow the public to identify, for each carbon credit, or each block of carbon credits, the period in which the emission reductions or removals occurred.”

#### Information sources considered

- 1 CAR registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>

- 2 Reserve Offset Program Manual, March 2021, available at [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf)
- 3 Serial Number Guide, available at <https://www.climateactionreserve.org/how/projects/serial-number-guide/>
- 4 Monitoring Report templates, available at <https://www.climateactionreserve.org/how/program/documents/>
- 5 Forest Project Protocol, version 4.0, June 2017, available at <https://www.climateactionreserve.org/how/protocols/forest/>

**Relevant carbon crediting program provisions**

- Provision 1 Source 2, section 2.9: “The registry itself is designed to mitigate the risk of double counting through transparency. Each CRT has a unique serial number, identifying, among other things, the location of the project, the relevant protocol, and the vintage year of the GHG reductions. All issuances and retirements are immediately public. Cancellations for other programs are made public. Any user may review all CRT retirements and view the serial numbers, as well as the reason for retirement. In addition, verification reports are made public, providing an additional source of detailed information regarding the generation of the GHG reductions” .
- Provision 2 Source 4: Reporting tables on estimated emissions included in monitoring report templates, e.g. (grassland monitoring report template):

**Estimated Emissions**

*List estimates in units of tCO<sub>2</sub>e. If the reporting period spans multiple vintages (i.e. calendar years), please list the calculated reductions per vintage. If the emission reductions have yet to be calculated, please put “TBD” (to be determined) in the spaces provided.*

<b>Vintage:</b>			
<b>Baseline Emissions (A):</b>			
<b>Project Emissions (B):</b>			
<b>Total Emission Reductions (A-B):</b>			

- Provision 4 Source 5, section 8.3.3: For forest projects for which there are no such reporting tables included in the monitoring report templates, it is specified that “Vintages are assigned to CRTs based on the proportion of days in each calendar year within a reporting period”.

**Assessment outcome**

Yes (1 Point).

**Justification of assessment**

The serial number attached to each CRT identifies, amongst other things, the vintage year of the GHG reductions (provision 1). This is also documented in the serial number guide (source 3) and visible in the registry (source 1). Additionally, the reporting tables on estimated emissions included



in monitoring report tables (e.g., grassland monitoring report template) make it possible to break down emission reductions by different vintages/calendar years (Provision 2). For projects for which no such reporting tables are included in the monitoring report templates, provision 4 explains how vintages should be assigned to CRTs. The indicator is therefore fulfilled.

## Indicator 2.1.6

### Relevant scoring methodology provisions

“The program administers a publicly accessible, transparent and easily searchable project database that provides relevant information needed to avoid double counting. The project database may operate as a separately functioning system or be incorporated as part of the program’s registry system. The database provides a unique identifier for each project that can be cross-referenced with carbon credits issued in the program’s registry, so that project information can be identified for every carbon credit issued within the registry.

The project database makes, moreover, the following information accessible, either by means of data entries or by means of documents made available through the database:

- a. A description of the project, including information on the mitigation technologies
- b. The emission sources, sinks, and greenhouse gases included in the calculation of the project’s emission reductions or removals, along with the location(s) of all relevant sources and sinks
- c. The country and geographical location where the project is implemented, and any other information needed for the project to be unambiguously identified and distinguished from other projects that may occur in the same location
- d. The project owners.”

### Information sources considered

- 1 CAR registry, available at <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=112>
- 2 Reserve Offset Program Manual, March 2021, available at [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf)

### Relevant carbon crediting program provisions

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

### Assessment outcome

General requirement: Yes (1 Point).

- a. Yes (1 Point)
- b. Yes (1 Point)
- c. Yes (1 Point)
- d. Yes (1 Point)

### Justification of assessment

CAR provides public access to its registry which includes a comprehensive and easily searchable project database (source 1). For each project, a unique identifier (serial number) is available that is linked to the carbon credits issued for the respective project (provision 1). In the registry, a tabular overview of all projects can be displayed, including the following columns (source 1):

- Project ID
- Project Name
- Project Developer
- Project Owner
- Project site state
- Project site country
- Total offset credits issued
- Offset credits currently in reserve buffer pool
- Offset credits intended for ARB buffer pool
- Offset credits converted to VCUs
- Canceled for ARB compliance
- Canceled
- Project website
- Documents

Additionally, the registry can be displayed according to “credit status”, showing the status of each credit issued. This registry thus includes information on all requirements listed under this indicator, either directly in the tabular view or through links to project documents and project websites. The indicator is therefore fulfilled.

## Scoring results

According to the above assessment, the carbon crediting program receives 12 out of 12 achievable points. Applying the scoring approach of the methodology, this results in a score of 5.