

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

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

Sub-criterion:	2.2.2 Avoiding indirect overlaps between projects
Carbon crediting program:	Gold Standard
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	31 January 2023
Scores:	See page 2

Contact

info@oeko.de
www.oeko.de

Head Office Freiburg

P. O. Box 17 71
 79017 Freiburg

Street address

Merzhauser Straße 173
 79100 Freiburg
 Phone +49 761 45295-0

Office Berlin

Borkumstraße 2
 13189 Berlin
 Phone +49 30 405085-0

Office Darmstadt

Rheinstraße 95
 64295 Darmstadt
 Phone +49 6151 8191-0

Scores

Project type	Score
Efficient cookstoves	1
Establishment of natural forest	5
Household biodigesters	
• where emission reductions are claimed from reducing the consumption of non-renewable biomass	1
• where no emission reductions are claimed from reducing the consumption of non-renewable biomass	5
Industrial biodigesters fed with livestock manure	5
Landfill gas utilization	5
Solar photovoltaic power	5
Wind power (onshore)	5

Assessment

Relevant scoring methodology provisions

Double issuance can occur indirectly through overlapping claims by different entities involved in mitigation projects. Indirect overlaps between projects can only occur in cases where projects, in calculating their emission reductions or removals, include emissions sources that occur at other sites than where the project is implemented. This risk is only applicable to some project types. The following table provides examples of project types with or without a risk of indirect overlaps:

Project types with potential indirect overlaps between projects	Project types without potential indirect overlaps between projects
<ul style="list-style-type: none"> • Landfill gas utilization • Renewable electricity generation • Biomass use • Composting 	<ul style="list-style-type: none"> • Landfill gas flaring • Avoidance of N₂O from nitric or adipic acid production • Energy efficiency improvements in thermal on-site applications

For project types for which this risk is not relevant, the score is 5. For other project types, the scoring depends on the carbon crediting programs' procedures to address this risk. The scoring approach for carbon crediting program procedures to avoid indirect overlaps between projects is as follows:

Program requirements	Score
The program only credits those types of projects for which overlaps between projects are very unlikely to occur	5
The program has robust provisions in place that effectively identify and avoid overlaps between projects registered within the program <i>and</i> projects registered under other programs (see principles in the methodology)	5
The program has robust provisions in place that effectively avoid overlaps between projects registered <i>within</i> the same program	3
The program does not have robust provisions in place to avoid indirect overlaps between projects	1

Information sources considered

- 1 Gold Standard SDG impact quantification methodologies, available at <https://globalgoals.goldstandard.org/400-sdg-impact-quantification/>
- 2 Principles & Requirements Version 1.2 (October 2019), available at <https://globalgoals.goldstandard.org/101-par-principles-requirements/>
- 3 GHG emissions reductions & sequestration product requirements, Version 2.9 (April 2021), available at <https://globalgoals.goldstandard.org/501-pr-ghg-emissions-reductions-sequestration/>.
- 4 Reduced emissions from cooking and heating: Technologies and practices to displace decentralized thermal energy consumption (TPDDTEC). Version 4.0, available at <https://globalgoals.goldstandard.org/407-ee-ics-technologies-and-practices-to-displace-decentralized-thermal-energy-tpddtec-consumption/>.

Relevant carbon crediting program provisions

- Provision 1 Source 2, section 4.1.3: “A Project type is automatically eligible for Gold Standard Certification if there are Gold Standard approved Activity Requirements and/or Impact Quantification Methodologies associated with it or it’s referenced in the Gold Standard Product Requirements. These are published to the Gold Standard website and shall be followed where provided for a given Project type”.
- Provision 2 Source 2, section 3.1.1.c: “In order to avoid double counting the Project shall not be included in any other voluntary or compliance standards programme unless approved by Gold Standard (for example through dual certification). Also, if the Project Area overlaps with that of another Gold Standard or other voluntary or compliance standard programme of a similar nature, the project shall demonstrate that there is no double counting of impacts at design and performance certification (for example use of similar technology or practices through which the potential arises for double counting or misestimation of impacts amongst projects)”.
- Provision 3 Source 4, section 3.1.1: “The project boundary is the physical, geographical sites of the project technologies/practices including the fuel collection and production area. i. Where the baseline fuel is woody biomass (including charcoal), the project boundary also includes the area within which this woody biomass is grown and collected.”
- Provision 4 Source 4, section 2.2.1.e.: “To avoid double counting or double claiming, the project developer must:
- i. clearly communicate its ownership rights and intention of claiming the emission reductions resulting from the project activity to the following parties by contract or clear written assertions in the transaction paperwork: all other project participants; project technology manufacturers; and retailers of the project technology or the renewable fuel in use; and
 - ii. inform and notify the end users that they cannot claim emission reductions from the project, and
 - iii. exclude from the project activity, cooking devices included in any other voluntary market or CDM project activity/PoA, and strive not to displace the cooking devices of another CDM or voluntary project/PoA. See data and parameters not monitored, Avoidance of double counting or double claiming with other mitigation actions, for details on this demonstration.”
- Provision 5 Source 4, section 2.2.1.g.: “Project activities making use of a new solid biomass feedstock in the project situation (e.g. switch to green charcoal or renewable biomass briquettes) must comply with relevant specific requirements for biomass related project activities, as defined in the latest version of the Community Services Activity Requirements. The specific requirements apply to both plantations established for the project activity and/or existing plantations that will supply biomass feedstock.”

Assessment outcome

The carbon crediting program’s approach to avoid indirect overlaps between projects is assigned the following scores:

- Efficient cookstoves: 1
- Establishment of natural forest: 5
- Household biodigesters:
 - Where emission reductions are claimed from reducing the consumption of non-renewable biomass: 1
 - Where no emission reductions are claimed from reducing the consumption of non-renewable biomass: 5
- Industrial biodigesters fed with livestock manure: 5
- Landfill gas utilization: 5
- Solar photovoltaic power: 5
- Wind power (onshore): 5

Justification of assessment

Among the nine project types assessed, the following project types are eligible under CAR: efficient cookstoves, establishment of natural forest, household biodigesters, industrial biodigesters fed with livestock manure, landfill gas utilization, solar photovoltaic power, and wind power (onshore) (Provision 1).

For one out of these seven project types, the relevant quantification methodologies do not include emission sources in the calculation of emission reductions that occur at other sites than where the project is implemented. For this reason, this project type is assigned a score of 5:

- **Establishment of natural forest:** Under this project type, the risk of indirect overlaps is low, except for overlaps with jurisdictional REDD+ activities which are not yet addressed under the scoring methodology. Any extraction of biomass that is extracted from the project area and used under other projects would imply a decline in the amount of biomass stored in the land area, and thus be deducted from future issuances (or accounted for under non-permanence provisions). Moreover, projects to establish natural forest typically do not include any significant emission sources outside the project site in the calculation of emission reductions. Any such emissions, such as from fertilization production or transportation, are relatively small and therefore considered immaterial.

For four out of the seven eligible project types (and one additional type under certain circumstances), the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented; however, there is no known practice by carbon crediting programs to issue carbon credits to other entities for these emission reductions. For this reason, these project types are also assigned a score of 5:

- **Household biodigesters (where no emission reductions are claimed from reducing the consumption of non-renewable biomass):** Under this project type, the manure is commonly generated and used at the same site. Therefore, no other entities may claim emission reductions from reducing emissions from manure management. Some projects claim emission reductions from reducing fossil fuel consumption (and not from reducing the consumption of non-renewable biomass). In this case, it is theoretically possible that carbon credits could be issued to fossil fuel

producers for reducing or stopping fossil fuel production. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for this type of action.

- **Industrial biodigesters fed with livestock manure:** Under this project type, a risk could potentially occur if a landowner received carbon credits for the reduced application of manure in addition to issuing credits for the generation of biogas from the manure. Additionally, double issuance could occur if credits were issued to consumers utilizing the captured methane. Moreover, given that the biogas generated under the project displaces the fossil fuels, it is theoretically possible that carbon credits could be issued to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers or users for reducing or stopping fossil fuel production or use. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions.
- **Landfill gas utilization:** Under this project type, the owner of the landfill gas project may receive carbon credits for generating electricity with the captured gas or for selling the gas, thereby displacing the use of fossil fuels at other sites. An indirect overlap leading to double issuance could theoretically occur if the user of the electricity or the gas claims the emission reductions from *using* the electricity or gas as an end consumer while carbon credits are also issued for capturing and utilizing the gas at the supply side. Moreover, given that landfill gas utilization displaces the fossil fuels, it is theoretically possible that carbon credits could be issued to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers or users for reducing or stopping fossil fuel production or use. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions.
- **Solar photovoltaic power and wind power (onshore):** Under these project types, credits are issued for installing renewable energy power plants that produce renewable electricity and replace more GHG intensive electricity generation in the grid. It is theoretically possible that carbon credits could be issued to entities that purchase and use green electricity, to fossil fuel fired power plants for reducing or stopping their electricity generation or to fossil fuel producers for reducing or stopping fossil fuel production. However, there is no known practice by carbon crediting programs to issue carbon credits to these entities for these types of actions.

For one out of the nine project types (and one additional type under certain circumstances), the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented and, at the same time, there is a material risk that these emission reductions may also be issued carbon credits under a different project and therefore claimed by other entities. For this reason, the scoring of these project types depends on the carbon crediting program's provisions to address the risk of indirect overlaps:

- **Efficient cookstoves:** Under this project type, the owner of a cookstove project receives credits for reducing woody biomass consumption, which results in maintaining or increasing carbon stocks on the relevant land areas. An indirect overlap could, for example, happen if at the same time an owner of an improved forest management project implemented on these land areas receives credits from enhanced forest stocks achieved as a result of the cookstove project.
- **Household biodigesters (where emission reductions are claimed from reducing the consumption of non-renewable biomass):** Under this project type, some projects claim emission reductions from reducing the consumption of non-renewable biomass. Similar to efficient cookstoves, this results in maintaining or increasing carbon stocks on the relevant land

areas. An indirect overlap could, for example, happen if an owner of an improved forest management project implemented on these land areas receives credits from enhanced forest stocks achieved as a result of the biodigester project.

The program provisions thus matter for the latter two project types.

The Gold Standard has requirements in place for preventing potential overlaps within the Gold Standard as well as with other programs (Provision 2). However, the provisions only refer to the case of an overlap of the project area in which it needs to be demonstrated and verified that no double counting occurred. There might be other ways of overlaps, such as overlaps in upstream and downstream emissions sources, which are not addressed under the Gold Standard's requirements. These provisions are therefore not deemed sufficient to meet the conditions of a score of 5.

In the case of efficient cookstove projects, the Gold Standard allows claiming carbon credits from both cookstove projects and afforestation projects (Provision 5). Any potential indirect overlaps of cookstove projects with forestry projects are not addressed. Therefore, a score of 1 is assigned for efficient cookstove projects.

In the case of household biodigesters where emission reductions are claimed from reducing the consumption of non-renewable biomass, Gold Standard applies its own methodology (Source 4). The project boundary includes the area within which the woody biomass is grown and collected (Provision 3). Gold Standard requires project developers to communicate to all other project participants as well as retailers of the renewable fuel in use its intention of claiming emission reductions resulting from the project activity (Provision 4). Furthermore, cooking devices included in other voluntary market activities need to be excluded from the project activities, thus preventing double counting with other crediting programmes. However, as for efficient cookstove projects, any indirect overlaps with forestry projects are not addressed. Therefore, a score of 1 is assigned to household biodigester projects where the where emission reductions are claimed from reducing the consumption of non-renewable biomass.

Annex: Summary of changes from previous assessment sheet versions

The following table describes the main substantive changes implemented in comparison to the assessment from 31 May 2022.

Topic	Rationale
Scores	<p>Scores have been amended to accommodate the following new project types: household biodigesters, industrial biodigesters fed with livestock manure, solar photovoltaic power, and wind power (onshore). Moreover, the score for landfill gas utilization projects was increased from 3 to 5.</p>
Justification of the assessment	<p>The justification for the assessment was updated. Project types are now categorized in three ways:</p> <ul style="list-style-type: none"> • A first category includes project types for which the relevant quantification methodologies do not include emission sources in the calculation of emission reductions that occur at other sites than where the project is implemented. As in the previous assessment, for these project types a score of 5 is assigned. • The second category includes project types for which relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented; however, there is no known practice by carbon crediting programs to issue carbon credits to other entities for these emission reductions. For this reason, but different from the previous assessment, these project types are also assigned a score of 5. This applies to landfill gas utilization projects that were previously assigned a score of 3. • The third category includes project types for which the relevant quantification methodologies include emissions sources in the calculation of emission reductions that occur at other sites than where the project is implemented and, at the same time, there is a material risk that these emission reductions may also be issued carbon credits under a different project and therefore claimed by other entities. For this reason, the scoring of these project types depends on the carbon crediting program’s provisions to address the risk of indirect overlaps. This is consistent with the previous assessment. <p>Moreover, it was clarified that the current version of the scoring methodology does not yet address indirect overlaps with jurisdictional REDD+ activities. Overlaps with jurisdictional REDD+ activities could be relevant for the project types establishment of natural forest and efficient cookstoves.</p>