

## 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="#">3.1 Significance of non-permanence risks</a>
Project type	<a href="#">Establishment of natural forest</a>
Date of final assessment:	<a href="#">31 January 2023</a>
Assessment outcome:	<a href="#">This project type involves a material non-permanence risk</a>

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## Assessment

### Criterion 3.1

#### Relevant scoring methodology provisions

The methodology evaluates the non-permanence risk of the project type. If the project type is deemed not to have a material non-permanence risk, then quality objective 3 is assigned a score of 5. If there is a material risk of non-permanence, the assessment depends on the outcome of criterion 3.2. The following table provides an overview for which types of mitigation activities non-permanence risks are considered material and for which not:

Mitigation activity	Non-permanence risk	Example activities
Destruction of non-CO <sub>2</sub> gases	No risk: No reservoir involved. The destruction cannot be physically reversed.	HFC-23 destruction from HCFC-22 production
Avoidance of formation of non-CO <sub>2</sub> gases, without effecting the amount of carbon stored in reservoirs	No risk: No reservoir involved. The process cannot be physically reversed.	Reducing CH <sub>4</sub> emissions from rice cultivation, ruminant livestock or organic waste diversion
Reducing demand for fossil fuels	No material risk within time horizon relevant for avoiding dangerous climate change (except for possible lock-in effects in the case of activities that lead to a long-term increase in energy or feedstock demand). <sup>1</sup>	Adoption of renewable energy; energy efficiency measures
Reducing demand for non-renewable biomass (thereby reducing forest degradation)	Material risks: natural disturbance risks and anthropogenic factors.	Efficient cook stove projects
Enhancing, preserving, or slowing depletion of terrestrial carbon reservoirs	Material risks: The size of the risk depends on spatial scale, how underlying drivers are addressed, and stability of the reservoir(s) affected by the mitigation activity.	Afforestation/reforestation; improved forest management; avoided deforestation/conversion; soil carbon enhancements; peatland preservation or "rewetting"; etc.
Storing carbon in geologic reservoirs	Material risks: The size of the risks mainly depends on reservoir stability.	Carbon capture and storage (CCS BECCS, DACCS, or other)
Preventing or extinguishing accidental uncontrolled burning of fossil fuels	Material risks: The size of the risks mainly depends on reservoir stability.	Extinguishing or preventing ignition of fires at waste coal piles

<sup>1</sup> An example of such a lock-in effect is a project that installs new natural gas infrastructure, with a technical lifetime of 30 years, to replace an existing oil-based heating system. In the absence of the project, the existing oil-based system would be replaced after 10 years by a new heating system that comes to the market and that operates on 100% renewable energy. In this case, the emission reductions that the natural gas system achieves in the first 10 years of its operation would be reversed in the subsequent 20 years if not replaced by less GHG intensive technology. The project is thus locking in a fossil fuel based solution for the 30 years while renewable energy solution become available.

Preventing or slowing exploitation of fossil fuel reserves	Material risks: If the protection measure is discontinued, the reservoir may be depleted.	Protecting an oil field from being extracted
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### Information sources considered

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### Assessment outcome

The project type is considered to involve a material non-permanence risk.

### Justification of assessment

This assessment refers to the following project type:

“Establishment of a forest on non-forest land areas that are ecologically appropriate for forests, excluding naturally non-forested biomes and semi-natural grasslands as well as the boreal region due to albedo-effects. The forest will not be used for any commercial purposes, such as harvesting, but may be used for sustainable subsistence. The tree species composition is based on the natural forest type of the area. This project type does not include the restoration of marine coastal ecosystems, such as mangroves. The project type removes greenhouse gases by increasing forest carbon stock.”

Table 26 of the scoring methodology defines afforestation activities, such as the establishment of natural forests, to have a material non-permanence risk, as these activities enhance terrestrial carbon reservoirs. Afforestation activities can be subject to natural depletion through natural disturbances such as fire, disease, drought or windstorms. Additionally, forests may be susceptible to different types of human-caused depletion, such as from demand for wood, or for land needed for subsistence, agricultural production, or development. The size and scale of carbon reservoirs affected by a mitigation activity is another important factor in assessing reversal risk. For activities implemented at the scale of projects, the effect of a wildfire could be catastrophic in terms of reversing prior carbon gains.

## 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
Justification	The justification was updated to include a description of the project type.