

## 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="#">6.1 Robustness of the carbon crediting program's environmental and social safeguards</a>
Carbon crediting program with complementary standard:	<a href="#">CDM non-A/R + SDVISTA</a>
Assessment based on carbon crediting program and complementary standard documents valid as of:	<a href="#">15 May 2022</a>
Date of final assessment:	<a href="#">08 November 2022</a>
Score:	<a href="#">2.8</a>

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## Assessment

This document presents the results of the assessment of sub-criterion 6.1 for the combination of the Clean Development Mechanism (CDM) 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 CDM and SDVISTa apply for deriving the respective indicator score of the combination (see respective detailed evaluations for sub-criterion 6.1 for CDM and SDVISTa on the CCQI website).

<b>Indicator</b>	<b>Outcome category for the indicator (see explanation above)</b>
6.1.1	b
6.1.2	c
6.1.3	c
6.1.4	c
6.1.5	b
6.1.6	b
6.1.7	b
6.1.8	b
6.1.9	b
6.1.10	c
6.1.11	c
6.1.12	b
6.1.13	c
6.1.14	c
6.1.15	a
6.1.16	b
6.1.17	a
6.1.18	c
6.1.19	a
6.1.20	c
6.1.21	b
6.1.22	b
6.1.23	b
6.1.24	b
6.1.25	b
6.1.26	a
6.1.27	a
6.1.28	a
6.1.29	a
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 CDM project standard for project activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg\\_stan04v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg_stan04v02.pdf).
- 5 CDM project standard for programmes of activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.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, paragraph 92, page 22: "The project participants shall carry out an analysis of the environmental impacts of the proposed CDM project activity, including transboundary impacts, and provide a summary of the analysis and references to all related documentation."

Provision 4 Source 5, paragraph 45, page 13: "If the coordinating/managing entity has chosen to carry out the analysis of the environmental impacts for the whole PoA, it shall carry out the analysis, including transboundary impacts (or, in the case of a proposed A/R CDM PoA, impacts on biodiversity and natural ecosystems and impacts outside the programme boundary), and provide a summary of the analysis and references to all related documentation."

### **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 CDM does not clearly define the environmental and social impacts that must be assessed either. The indicator is therefore not 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 CDM project standard for project activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg\\_stan04v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg_stan04v02.pdf).
- 3 CDM project standard for programmes of activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.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.”

#### Assessment outcome

No (0 Points).

## Justification of assessment

The CDM has no such requirements. The SDVISTA 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. The indicator is thus considered to be not fulfilled.

## 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 CDM project standard for project activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg\\_stan04v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg_stan04v02.pdf).
- 3 CDM project standard for programmes of activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.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.”

### 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. The CDM has no relevant provisions in place. 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 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 the 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. The CDM has no such provisions in place either. The indicator is thus not fulfilled by the combination of CDM with SDVISTA.

### Indicator 6.1.11

#### Relevant scoring methodology provisions

“The program has a grievance mechanism in place that allows local stakeholders to submit grievances throughout the lifetime of the project without any barriers (e.g. liability for expenses associated with the investigation). Such grievances must be duly considered by the carbon crediting program.”

#### Information sources considered

- 1 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>
- 2 SD VISTA Program Guide, version 1.0, 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

- Provision 1 Source 2, section 5 “Complaints and Appeals”, page 38: “Project proponents, assessors, methodology element developers and other stakeholders (including interested stakeholders) may submit enquiries to Verra at any time. In addition, the SD VISta Program provides a complaints and appeals procedure as set out in the Verra Appeals, Complaints and Conduct Policy available on the Verra website.”
- Provision 2 Source 1, section 1 “Complaints”, page 2: “Complaints by stakeholders about a project proponent or its partners shall be pursued with the respective entity. Similarly, complaints about entities (by the clients of such entities) that provide services under the relevant Verra program, such as assessors, shall be pursued via the respective entity. In either of the cases above, where the complaint is not resolved to the satisfaction of the complainant and the complaint is in relation to the respective entity’s interpretation of the relevant program rules, the complainant may submit a complaint to Verra. Note that other stakeholders may also choose to submit complaints to entities providing services under the relevant program where such entities have complaints procedures for third parties (i.e., non-clients).”
- Provision 3 Source 1, 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](mailto: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).
  - 5) All information submitted by the complainant with respect to the complaint is kept confidential by Verra.”

- Provision 4 Source 1 (continued): “All expenses, internal and external, incurred by Verra in handling complaints and appeals shall be paid by the entity filing the complaint or appeal. Prior to initiation of the handling process, Verra will inform the entity filing the complaint or appeal of its estimated handling cost. Where the outcome of a complaint or appeal is to overturn an earlier decision made by Verra, the entity filing the complaint or appeal will not be liable for covering such expenses.”
- Provision 5 Source 2, section 3.2, page 10: “Projects shall undergo at least one 30-day public comment period per assessment (i.e., per validation, verification and independent expert evaluation). While a project is open for comment, stakeholders (including interested stakeholders) are invited to provide feedback on the design or implementation of a project, either from personal knowledge or as the design or implementation is represented in the project description or monitoring report.”

### Assessment outcome

No (0 points).

### Justification of assessment

The CDM has no grievance mechanism.

Comments or complaints can be submitted at any time under SDVSIta (Provision 1).

The complementary standard uses the complaints and appeals policy provided by Verra (Provision 1) which sets out the procedure and rules for submitting complaints to the program. These stipulate that complaints about a project must be pursued first with the project owner. Only when the complaint cannot be resolved to the satisfaction of the complainant it may be submitted to Verra (Provision 2). Upon receipt, the program appoints an appropriate person to handle the complaint, and afterwards 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 CEO (Provision 3). Complainants must however bear the cost of the complaint if it does not result in overturning an earlier decision made by Verra (Provision 4). The latter is considered a considerable barrier for accessing the grievance mechanism as for example the capacity of vulnerable local people bearing the cost of such a complaint procedure is low. The indicator is therefore 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>

## 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). The CDM has also 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>

### 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](mailto: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).

### Assessment outcome

No (0 Points).

### Justification of assessment

Under SDVISTa, Grievances received by the project owner need to be document in the next project description or monitoring report (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). The CDM has no grievance mechanism in place. 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 CDM project standard for project activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at:  
[https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg\\_stan04v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg_stan04v02.pdf).
- 3 CDM project standard for programmes of activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at:  
[https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.pdf).
- 4 CDM Glossary of Terms, CDM-EB07-A04-GLOS Version 10.0. Online available at:  
[https://cdm.unfccc.int/Reference/Guidclarif/glos\\_CDM.pdf](https://cdm.unfccc.int/Reference/Guidclarif/glos_CDM.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 3 Source 2, paragraph 107, page 24: “The project participants shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do not exist, the project participants shall complete the process before, whichever the earlier of:
- (a) The start date of the project activity as defined in the “Glossary: CDM terms”; or
  - (b) The date of submitting the PDD of the proposed CDM project activity to a DOE for validation.”
- Provision 4 Source 3, paragraph 64, page 15: “The coordinating/managing entity shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If host Party rules do

not exist, the coordinating/managing entity shall complete the process before, whichever the earlier of:

- (a) The earliest of the start dates of the CPAs as defined in the “Glossary: CDM terms”; that will be included in the PoA; or
- (b) The date of submitting the PoA-DD of the proposed CDM PoA to a DOE for validation.

Provision 5 Source 4, section “Definition for the term Start Date”, page 20: “For a CDM project activity (non-A/R) or CPA (non-A/R), the date on which the project participants commit to making expenditures for the construction or modification of the main equipment or facility (e.g. a wind turbine), or for the provision or modification of a service (e.g. distribution of energy-efficient light bulbs, change of transport management system), for the CDM project activity or CPA. Where a contract is signed for such expenditures (e.g. for procurement of a wind turbine), it is the date on which the contract is signed. In other cases, it is the date on which such expenditures are incurred. If the CDM project activity or CPA involves more than one of such contracts or incurred expenditures, it is the first of the respective dates. Activities incurring minor pre-project expenses (e.g. feasibility studies, preliminary surveys) are not considered in the determination of the start date.”

### 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.

The CDM provisions require the timing of local stakeholder consultations to be dependent on the rules of the host Party. If no host Party rules exist, the CDM prescribes that the consultation should be conducted prior to the project start date (Provision 1 and Provision 2). The latter would meet the requirements of the indicator, but as exemptions to this are possible if host Party rules prescribe otherwise, the indicator is considered not to be fulfilled by the SDVISTa and CDM provisions.

### 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/>
- 2 CDM validation and verification standard for project activities. CDM-EB93-A05-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092105818/Reg\\_stan06v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092105818/Reg_stan06v02.pdf).
- 3 CDM validation and verification standard for programmes of activities. CDM-EB93-A08-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20190102091604136/Reg\\_Stan05v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20190102091604136/Reg_Stan05v02.pdf).

## 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.”

Provision 2 Source 2, paragraph 130, page 28: “The DOE shall determine whether the project participants have completed the local stakeholder consultation in accordance with the relevant requirements in the “CDM project standard for project activities”.

Provision 3 Source 2, paragraph 131, page 29: “The DOE shall determine whether there are applicable host Party rules on local stakeholder consultation. Where such rules exist, the DOE shall, by means of document review and interviews with local stakeholders and/or the DNA, as appropriate, determine whether the local stakeholder consultation was conducted in accordance with the rules.”

Provision 4 Source 2, paragraph 132, page 29: “If applicable host Party rules on local stakeholder consultation do not exist, the DOE shall, by means of document review and interviews with local stakeholders and/or the DNA as appropriate, determine whether the local stakeholder consultation was conducted in accordance with the requirements in the “CDM project standard for project activities” pertaining to:

- (a) Scope of local stakeholder consultation;
- (b) Minimum group of stakeholders to be involved;

- (c) Means for inviting stakeholders' participation;
- (d) Information to be made available to stakeholders;
- (e) Conduct of consultation;
- (f) Summary of comments received;
- (g) Consideration of comments received;
- (h) Timing of local stakeholder consultation"

Provision 5 Source 3, paragraph 59, page 16: "The DOE shall determine whether the consultation was carried out in accordance with the relevant requirements in the "CDM project standard for programmes of activities".

Provision 6 Source 3, paragraph 60, page 16: "The DOE shall determine whether there are applicable host Party rules on local stakeholder consultation. Where such rules exist, the DOE shall, by means of document review and interviews with local stakeholders and/or the DNA, as appropriate, determine whether the local stakeholder consultation was conducted in accordance with the rules."

Provision 7 Source 3, paragraph 61, page 16: "If applicable host Party rules on local stakeholder consultation do not exist, the DOE shall, by means of document review and interviews with local stakeholders and/or the DNA as appropriate, determine whether the local stakeholder consultation was conducted in accordance with the requirements in the "CDM project standard for programmes of activities" related to:

- (a) Scope of local stakeholder consultation;
- (b) Minimum group of stakeholders to be involved;
- (c) Means for inviting stakeholders' participation;
- (d) Information to be made available to stakeholders;
- (e) Conduct of consultation;
- (f) Summary of comments received;
- (g) Consideration of comments received;
- (h) Timing of local stakeholder consultation."

**Assessment outcome**

No (0 Points).

**Justification of assessment**

The provision of SDVISTa "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.



The validation and verification of local stakeholder consultation depends on host Party rules in the CDM program provisions (Provision 2 and Provision 5). If no host Party rules exist, the validation and verification body is required to assess whether entity assesses whether the project owners have taken due account of all inputs received in the local stakeholder consultation amongst other things (Provision 3 and Provision 6). As exemptions to this are possible if host Party rules prescribe otherwise the indicator is considered not to be fulfilled.

### 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>

#### 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 discrimination<sup>4</sup> 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.”

#### 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. The CDM has no such provision in place. Therefore, the indicator is considered not to be fulfilled.

### 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>

### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

There was no specific requirement by SDVISTa and CDM for projects found to preserve and protect cultural heritage. The indicator is thus not fulfilled.

## 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>

### 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.”

## 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. The CDM has no such provisions either. The indicator is therefore not fulfilled.

## 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>

### 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.<sup>6</sup>

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](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. [..]”

### 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. The CDM has no such provisions. The indicator is therefore not fulfilled.

### 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 CDM project standard for project activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg\\_stan04v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092046526/Reg_stan04v02.pdf).

- 3 CDM project standard for programmes of activities. CDM-EB93-A04-STAN. Version 02.0. Document issued on 29 November 2018. Online available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.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 2 Source 2, paragraph 92, page 22: “The project participants shall carry out an analysis of the environmental impacts of the proposed CDM project activity, including transboundary impacts, and provide a summary of the analysis and references to all related documentation.”
- Provision 3 Source 3, paragraph 45, page 13: “If the coordinating/managing entity has chosen to carry out the analysis of the environmental impacts for the whole PoA, it shall carry out the analysis, including transboundary impacts (or, in the case of a proposed A/R CDM PoA, impacts on biodiversity and natural ecosystems and impacts outside the programme boundary), and provide a summary of the analysis and references to all related documentation.”

### Assessment outcome

No (0 Points).

### Justification of assessment

Generally, 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. The CDM has no such specific safeguards in place. The indicator is therefore not fulfilled.

## 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. The CDM has also no such provision in place. The indicator is therefore not fulfilled.

## **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>

### **Relevant carbon crediting program provisions**

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### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

No such provision could be found in the SDVISTa and CDM provisions. The indicator is not fulfilled.

## **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>

**Relevant carbon crediting program provisions**

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**Assessment outcome**

No (0 Points).

**Justification of assessment**

The were no such provisions found for CDM and SDVISTA. The indicator is not fulfilled.

**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. Online available at: <https://verra.org/about/overview/#important-policies->

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

## Justification of assessment

The CDM and SDVISTA have no dedicated gender policy, even though gender aspects are partially required in provisions for project owners, like gender-sensitive consultations (see indicator 6.1.17). 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**

The CDM and SDVISTA have no such provision in place. The indicator is not fulfilled.

### **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 25 for the combination of the carbon crediting program and complementary standard. Applying the scoring approach in the methodology, this results in a score of 2.8 for this criterion.