Application of the CCQI 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

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Sub-criterion:	**6.1: Robustness of the carbon crediting program's environmental and social safeguards**
Carbon crediting program:	**Gold Standard + SDVISta**
Assessment based on carbon crediting program documents valid as of:	**30 June 2021**
Date of final assessment:	**12 September 2023**
Score:	**4.42**

Assessment

This document presents the results of the assessment of sub-criterion 6.1 for the combination of the Gold Standard (GS) 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 fulfils 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 GS and SDVISta apply for deriving the respective indicator score of the combination (see respective detailed evaluations for sub-criterion 6.1 for GS and SDVISta on the CCQI website).

Indicator	Outcome category for the indicator (see explanation above)
6.1.1	a
6.1.2	b
6.1.3	c
6.1.4	c
6.1.5	a
6.1.6	b
6.1.7	a
6.1.8	a
6.1.9	a
6.1.10	c
6.1.11	b
6.1.12	a
6.1.13	c
6.1.14	b
6.1.15	a
6.1.16	a
6.1.17	a
6.1.18	b
6.1.19	a
6.1.20	b
6.1.21	b
6.1.22	a
6.1.23	a
6.1.24	a
6.1.25	c
6.1.26	a
6.1.27	a
6.1.28	a
6.1.29	a
6.1.30	a
6.1.31	b
6.1.32	b
6.1.33	b
6.1.34	b
6.1.35	a
6.1.36	b
6.1.37	c
6.1.38	c
6.1.39	b
6.1.40	c
6.1.41	b
6.1.42	a
6.1.43	b

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

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

1 This indicator assesses whether programs require the project owners to clearly assign responsibilities for managing environmental and social risks to senior staff members implementing the project. Clear assignment of responsibilities supports creating a project environment where adherence to safeguards is constantly monitored and risks are proactively managed. No such requirements were identified during the assessment of relevant Gold Standard provisions. 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

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. No such requirements were identified during the assessment of relevant Gold Standard provisions. 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.

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

1 Gold Standard Safeguarding principles & requirements. Version 1.2. Document issued on 9 October 2019. Online available at: https://globalgoals.goldstandard.org/103-par-safeguarding-principles-requirements/.

2 Gold Standard Principles & Requirements. Version 1.2. Document issued in October 2019. Online available at: https://globalgoals.goldstandard.org/101-par-principles-requirements/.

3 Gold Standard Claims Guidelines. Version 1.0. Document issued on 30 June 2016. Online available at: https://globalgoals.goldstandard.org/105-par-claims-guidelines/.

4 TEMPLATE GUIDE Monitoring Report v. 1.1. Document issued on 14 October 2020. Online available at: https://globalgoals.goldstandard.org/standards/TGuide-PerfCert_V1.1-Monitoring-Report.pdf.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.1.11, Table 2 "Safeguarding Assessment Information", page 5-6: "The Project shall provide the following information with regards to the Safeguarding Assessment at different project stages; [...] A completed Safeguarding Principles Assessment fully assessed by the Gold Standard Validation/Verification Body (GS-VVB). The monitoring report shall include:

(a) An update on the implementation including information on relative success and failures, or improvements to proposed mitigation measures

(b) Monitoring and reporting on any key indicators identified, including against pre-set tolerances

(c) Information on any assessment questions answered 'Potentially' or where Requirements call for regular re-assessment"

Provision 2 Source 2, section 2.2.1, page 5: "Gold Standard Certified Project status is achieved by successfully undergoing Verification and performance review (Performance Certification), which means:

(a) The project has followed a Monitoring Plan approved at the time of Design Certification and has submitted Monitoring Report for Verification.

(b) The project and its Certified SDG Impacts have been validated and verified as required by an accredited, approved third party VVB.

(c) Following this, the project has been reviewed by Gold Standard and is subject to an over-arching independent review by the Gold Standard Technical Advisory Committee (TAC) and NGO Supporters."

Provision 3 Source 4, section F: "Safeguards reporting"; page 15: "Provide a report on the Safeguarding principles that were added to the monitoring plan. Refer to parameter boxes in D.2. where applicable. You should include:

(a) An update on the implementation including information on relative success and failures, or improvements to proposed mitigation measures

(b) Monitoring and reporting on any key indicators identified, including against pre-set tolerances

(c) Information on any assessment questions answered 'Potentially' or where Requirements call for regular re-assessment"

Assessment outcome

2 No (0 Points).

Justification of assessment

3 While the carbon crediting program requires the inclusion of safeguards in the monitoring plan and subsequent reports, there are no provisions that require a dedicated environmental and social management plan for projects that have high environmental and social risks. There were no relevant provisions for the SDVISta found. The indicator is 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 Gold Standard Stakeholder Consultation and Engagement Requirements. Version 1.2. Document issued in October 2019. Online available at: https://globalgoals.goldstandard.org/102-par-stakeholder-consultation-requirements/.

2 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 7.1.1, page 6: "All projects shall setup a formal input, feedback and grievance mechanism with the purpose of providing stakeholders with an opportunity to submit any feedback or raise grievances during the entire project life."

Provision 2 Source 1, section 7.1.2, page 6: "The project shall discuss the potential options with stakeholders and agree on an appropriate method."

Provision 3 Source 1, section 7.1.3, page 6: "At a minimum, Continuous Input and Grievance Expression Process Book shall be made available at an agreed location."

4 Provision 4 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."

5 Assessment outcome

6 No (0 Points).

Justification of assessment

7 The carbon crediting program provisions require project owners to discuss potential options for the grievance mechanism with the stakeholders and jointly agree on an appropriate method for submitting and processing grievances (Provision 2). In principle, this would allow stakeholders to agree on procedures that allow for anonymous submission of feedback and grievances. It is however not a prescriptive requirement by the program to provide for this option. The SDVISta does not require the option to provide anonymous feedback or grievances to project owners (Provision 4). The indicator is therefore not fulfilled.

Indicator 6.1.25

Relevant scoring methodology provisions

"The program requires project validation and verification entities to contact and engage with affected local stakeholders during validation."

Information sources considered

1 Gold Standard Principles & Requirements. Version 1.2. Document issued in October 2019. Online available at: https://globalgoals.goldstandard.org/101-par-principles-requirements/ .

2 Gold Standard Validation / Verification Body Requirements. Version 2.0. Document issued in January 2021. Online available at https://globalgoals.goldstandard.org/standards/109_V2.0_PAR_Validation-Verification-Body-Requirements.pdf

3 SDVISta Validation Report Template. Version 1.0. Document issued on 25 September 2019. Online available at: https://verra.org/project/sd-vista/rules-requirements/

Relevant carbon crediting program provisions

Provision 1 Source 1, section 5.1.14, page 23: "Validation includes a site visit by a VVB who assesses the up-front design and monitoring plan for a Project against applicable Requirements. This includes Validation of:

> (a) The Project Documentation including the Project Design Document and Monitoring & Reporting Plan, including any updates to the Key Project Information after Listed Status has achieved.
>
> (b) Any supporting document and evidence to demonstrate conformity to all applicable Gold Standard Requirements."

Provision 2 Source 2, section 7.6.5.1, page 16: "A validator or verifier shall have auditing knowledge and skills and the ability to apply them to perform validation or verification/certification activities including:

a. Data, information and system auditing techniques and methodologies;

b. Risk assessment techniques and methodologies;

c. Data and information sampling techniques and methodologies;

d. Application of the concepts of materiality and level of assurance;

e. Collection of information through effective interviewing, listening, observing and reviewing documents, records and data;

f. Verification of the accuracy of collected information, evaluation of the sufficiency and appropriateness of gathered evidence to support validation or verification/certification findings and conclusions;

g. Preparation of validation or verification/certification opinions and reports."

Provision 3 Source 3, section 1.9, page 2: "1.9 Site Inspections.

Describe the method and objectives for on-site inspections performed. Include in the description details of all project activity locations visited, the physical and organizational aspects of the project inspected and the dates when such site inspections took place."

Provision 4 Source 3, section 2.3, page 4: "2.3.1 Stakeholder Identification.

Describe the steps taken to assess the process of stakeholder identification and analysis used to identify stakeholders and stakeholder groups. Include details of documentation assessed and observations made during the site visit. Provide a conclusion as to whether the process is likely to identify all stakeholders who will be impacted by the project activities.

2.3.2 Stakeholder Description.

Describe the steps taken to assess that all stakeholders and stakeholder groups that are included in the project, or may be included through the grouped project approach at a later time, were identified and described appropriately in the project description.

2.3.3 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."

Assessment outcome

No (0 Points).

Justification of assessment

8 The carbon crediting program requires that all project documentation is validated during the validation and verification process. By extension this includes also the stakeholder consultation report (Provision 1). Knowledge and skill required by VVBs include "Collection of information through effective interviewing, listening, observing and reviewing documents, records and data" (Provision 2). However, there is no explicit provision that requires that validation and verification entities contact and engage with affected local stakeholders during validation.

9 The SDVISta requires that a site visit is conducted during the validation process (Provision 3), it is, however, not mentioned if the site visit referred to in the stakeholder section of the validation template (Source 3) includes contact or engagement with local stakeholders (Provision 4). Further, the validation entity shall check the robustness of the stakeholder consultation process, but it is not prescribed how that should be done and if that includes a direct contact and engagement with local stakeholders. The indicator is therefore considered not be fulfilled by the combination of GS with SDVISta.

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 Gold Standard Safeguarding principles & requirements. Version 1.2. Document issued on 9 October 2019. Online available at: https://globalgoals.goldstandard.org/103-par-safeguarding-principles-requirements/.

2 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 3.4.15, page 15: "The Project Developer shall ensure that the indigenous people are provided with the equitable sharing of benefits to be derived from utilisation and/or commercial development of natural resources on lands and territories or use of their traditional knowledge and practices by the Project. This shall be done in a manner that is culturally appropriate and inclusive and that does not impede land rights or equal access to basic services including health services, clean water, energy, education, safe and decent working conditions and housing."

Provision 2 Source 2, 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 3 Source 2, 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

10 The GS provisions require the project owner to ensure that indigenous people are provided with the equitable sharing of benefits. The way this provision is written it is unclear whether it does apply to non-indigenous local stakeholders. The complementary 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 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 Gold Standard Safeguarding principles & requirements. Version 1.2. Document issued on 9 October 2019. Online available at: https://globalgoals.goldstandard.org/103-par-safeguarding-principles-requirements/.

2 Gold Standard Principles & Requirements. Version 1.2. Document issued in October 2019. Online available at: https://globalgoals.goldstandard.org/101-par-principles-requirements/

3 Gold Standard Land Use & Forests Activity Requirements, Version 1.2.1. Document issued in April 2020 https://globalgoals.goldstandard.org/standards/203_V1.2.1_AR_LUF-Activity-Requirements.pdf

4 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

11 Neither the Gold Standard Principles & Requirements nor the Gold Standard Safeguarding principles & requirements or Land Use & Forests Activity Requirements include any provisions that prohibit the introduction of non-invasive species. The SDVISta does not provide relevant provision either. The indicator is therefore 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 Gold Standard Stakeholder Consultation and Engagement Guidelines, Version 1.2, document published in October 2019. Online available at: https://globalgoals.goldstandard.org/standards/102G_V1.2_PAR_Stakeholder-Consultation-and-engagement-Guidelines.pdf

2 Gold Standard Safeguarding principles & requirements. Version 1.2. Document issued on 9 October 2019. Online available at: https://globalgoals.goldstandard.org/103-par-safeguarding-principles-requirements/.

3 Gold Standard Community service Activity requirements. Version 1.2. Document issued on October 2019. Online available at: https://globalgoals.goldstandard.org/standards/201_V1.2_AR_Community-Services-Activity-Requirements.pdf

4 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

5 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

Provision 1 Source 3, Annex A, section 1.1.6 "Hydropower project activity", page 10: "The Gold standard will evaluate the eligibility of hydropower activities with an installed capacity greater than 20 MW on a case-by-case basis at the time of preliminary review. [..]

The Project Developer shall provide the following additional information as part of the documentation to be reviewed:

(a) [..]

(b) A Compliance Report showing that the project is in compliance with the latest WCD guidelines[7], validated by a GS-VVB.

[7] www.dams.org"

Assessment outcome

No (0 Points).

Justification of assessment

1 The Gold Standard Stakeholder Consultation and Engagement Guidelines (Source 1) provide specific guidance for its stakeholder consultation and engagement requirements. Only for hydropower, projects with a capacity over 20 MV are required to ensure compliance with WCD guidelines which are a guidance for how to apply safeguards in relation to hydropower dam projects. No similar guidance notes on the Safeguarding principles and requirements are provided for other project types. The SDVISta has no such specific guidance on safeguards. 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 39 for the combination of the carbon crediting program and complementary standard. Applying the scoring approach in the methodology, this results in a score of 4.42 for this criterion.

Annex: Summary of changes from previous assessment sheet versions

The following table describes the main changes implemented in comparison to the assessment from 08 November 2022.

Topic	Rationale
Indicator 6.1.40	Provisions for hydropower project types have been added.