

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

Criterion:	7.2 Stringency and coverage of the host country's current NDC
Host country:	Brazil
Date of final assessment:	20 May 2022
Score:	Efficient cookstoves: 1 Establishment of natural forest: 1 Landfill gas utilization: 1

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Assessment

Relevant scoring methodology provisions

The scoring approach assesses the stringency and coverage of the host country's current NDC. The scoring consists of several steps. First, it is determined whether the emission reductions or removals of the project or project type are covered by the host country's NDC. If this is the case, the second step is to assess the extent to which the NDC target deviates from the level of emissions that would most likely occur in the target year or period with current policies. The third step is optional and includes an evaluation of the likelihood that the emission reductions from the project or project activity are visible in the GHG emissions reported by the country to track progress towards its NDC. Finally, it is assessed if any reversals are likely to be accounted and compensated for by the host country. See more details on the scoring approach in the methodology.

Information sources considered

- 1 Brazil's first updated NDC which has been communicated to the UNFCCC secretariat on 9 December 2020.
[https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Brazil%20First/Brazil%20First%20NDC%20\(Updated%20submission\).pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Brazil%20First/Brazil%20First%20NDC%20(Updated%20submission).pdf)
- 2 Climate Action Tracker assessment for the NDC of Brazil.
<https://climateactiontracker.org/countries/brazil/>

Assessment outcome

The host country is assigned the following scores for the respective project types:

- Efficient cookstoves: 1
- Establishment of natural forest: 1
- Landfill gas utilization: 1

Justification of assessment

This evaluation includes steps 1, 2 and 4 of the methodology, noting that step 3 is optional. The methodology is applied at the level of project types (efficient cookstoves, establishment of natural forest, landfill gas utilization), and not at the level of individual projects.

Step 1

The NDC is economy-wide and includes the gases CO₂, CH₄, N₂O, HFCs, PFCs and SF₆ (Source 1). The NDC thus covers all three project types (efficient cookstoves, establishment of natural forest and landfill gas utilization).

Step 2

Data from Climate Action Tracker (Source 2) is used to assess the degree to which the NDC target deviates from the emissions level that would most likely occur in the target year or period with policies in place at the time of communicating the NDC.

We use the policy and action projections for Brazil from the Climate Action Tracker assessment dated 14 September 2021 (Source 2). This is the earliest available scenario following the publication of Brazil's first updated NDC on 9 December 2020.

The assessment by the Climate Action Tracker does not provide emission projections for LULUCF emissions. Indeed, emission projections from the LULUCF sector can be associated with large uncertainties. Due to this uncertainty and the unavailability of data with LULUCF emissions, the ambition of the NDC target is here assessed based on emissions data without the LULUCF sector. As a consequence, the overall level of ambition for the NDC target, which includes LULUCF emissions, will not be fully reflected in this assessment.

The Climate Action Tracker estimates that BAU emissions with current policies and action for 2030 (excluding LULUCF) are likely to correspond to an emissions range between 1,029 and 1,039 MtCO₂e (Source 2). We use here the average of these two values (1,034 MtCO₂e) as the most likely BAU emissions (excluding LULUCF). According to Climate Action Tracker, the NDC target for 2030 corresponds to an emissions level of 1,307 MtCO₂e (excluding LULUCF) (Source 2). This is 26% above the likely BAU emissions. Applying the scoring approach set out in the methodology, this results in a score of 1.

Step 4

Information in the first updated NDC of Brazil (Source 1) is used to assess whether the country fully accounts for natural disturbances and whether the country has a multi-year target or uses a multi-year trajectory or budget for NDC accounting purposes.

- Consideration of natural disturbances: The updated first NDC specifies on page 6 that an approach for accounting for natural disturbances “will still be defined and subsequently informed”. It can be concluded that provisions are not currently in place to address emission changes due to natural disturbances.
- Use of multi-year approaches: The updated first NDC specifies on page 3 that the single-year targets for 2025 and 2030 “*imply comparisons between emissions in 2005 and emissions in 2025 and 2030, respectively.*” No reference is made to the establishment of a multi-year trajectory or budget. In this regard, the NDC only accounts for emissions in 2025 and 2030.

Since both questions have been answered negatively, the score from the previous step would be downgraded by one point; however, based on Step 2, Brazil already receives the lowest grading resulting in a final score of 1.