Öko-Institut e.V.
Institut für angewandte Ökologie
Institute for Applied Ecology

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:	2.1: Robust registry and project database systems
Carbon crediting program:	VCS
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	20 May 2022
Score:	5

Assessment

Indicator 2.1.1.

Relevant scoring methodology provisions

"The registry is capable of securely effectuating the issuance, transfer, and cancellation of carbon credits."

Information sources considered

1   VCS Registration and issuance process v4.0 (September 2019), available at https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf

2   Publicly accessible registry system, available at https://registry.verra.org/

Relevant carbon crediting program provisions

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Assessment outcome

Yes (1 Point)

Justification of assessment

There is no way for the project team to independently assess the security of the registry. No issues relating to a lack of security of the registry have been reported. The indicator is therefore considered to be fulfilled.

Indicator 2.1.2

Relevant scoring methodology provisions

"The registry tags each carbon credit with a unique identifier (e.g., serial number) and each carbon credit is clearly associated with a specific issuance."

Information sources considered

1   VCS Registration and issuance process v4.0 (September 2019), available at https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf

2   Publicly accessible registry system, available at https://registry.verra.org/

Relevant carbon crediting program provisions

Provision 1   Source 1, chapter 1: "The Verra registry provides the central repository for all information and documentation relating to pipeline and registered projects. The registry is also responsible for ensuring uniqueness of projects, issuing VCU serial numbers and tracking VCU retirement".

Assessment outcome

Yes (1 Point).

Justification of assessment

Provision 1 as well as the information available in VCS' registry which provides access to issuance records for individual projects and indicates associated serial numbers for each issuance (source 2) specify that the indicator is fulfilled.

Indicator 2.1.3

Relevant scoring methodology provisions

"The program has established procedures to clearly identify the owner of a carbon credit, including which entities are entitled to request for the issuance, transfer or cancellation of a carbon credit."

Information sources considered

1   VCS Registration and issuance process v4.0 (September 2019), available at
     https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf

Relevant carbon crediting program provisions

Provision 1   Source 1, section 4.1: "In the registration process, project proponents need to submit documentation to the validation/verification body, including evidence of project ownership."

Provision 2   Source 1, section 4.2.1: "The only entities that may initiate the project registration process are the project proponent, an entity to which the project proponent has assigned sole right to the GHG emission reductions or removals for the entire project crediting period, or the authorized representative of either of these entities. No other entity can initiate the project registration process."

Provision 3   Source 1, section 4.2.4: "Where the project is presented for registration and VCU issuance, the relevant documents that shall be provided to the Verra registry are the project description, the validation report, the validation representation, the registration representation, the monitoring report, the verification report, the verification representation, the issuance representation, and any AFOLU specific documentation, communications agreement, proof of right, proof of contracting or evidence and representation with respect to cancellation of GHG credits under another GHG program."

Provision 4   Source 1, section 4.2.5: "The following shall apply with respect to the project proponent representations:

                1) The Verra website provides the templates for the registration representation, issuance representation and all other project proponent representations. The templates shall not be altered other than to fill in the project specific details.

2) The project proponent representations shall be properly executed as deeds in accordance with applicable local laws and the organization's own constitutional documents (e.g., signature by directors, requirement of company seals).

3) Where more than one individual or organization can claim rights in respect of the execution of the project proponent representations, all such individuals and organizations shall execute the project proponent representations, using the appropriate templates available on the Verra website for projects with multiple project proponents, as applicable. Note that such representations may be executed in any necessary number of counterparts."

Provision 5   Source 1, section 4.2.9: "The entity initiating the project registration process or its authorized representative shall submit to the Verra registry the legal agreement(s) transferring the right to the GHG emission reductions or removals for the entire project crediting period to it from the project proponent."

Provision 6   Source 1, section 4.2.15: "The VCS Program allows projects registered under an approved GHG program to cancel GHG credits issued under the approved GHG program and have them issued as VCUs in the Verra registry. […] An official notification or other evidence of cancellation of the GHG credits under the approved GHG program and a signed VCU conversion representation shall be provided to the Verra registry."

Provision 7   Source 1, section 4.6.6: "The registry account holder, its authorized representative, the other GHG program in which the registry account holder is participating or Verra may initiate a VCU cancellation. Note that the initiator and recipient of a VCU cancellation request depends on the specific circumstances of the cancellation (e.g., where VCUs are being converted into another form of GHG credit, the cancellation request may be submitted to Verra by the other GHG program in which the registry account holder is participating)."

Assessment outcome

Yes (1 Point).

Justification of assessment

Provisions 1 to 7 outline procedures for identifying the owner of a carbon credit and explain which entities are entitled to request for the issuance, transfer or cancellation of a carbon credit. Additionally, the conversion representation template referred to in provision 6 outlines rights and responsibilities related to the cancellation of credits. The indicator is therefore fulfilled.

Indicator 2.1.4

Relevant scoring methodology provisions

"The registry or project database system makes relevant information on carbon credits readily available to users and the public in a user-friendly format, including:

    a.   The project to which the carbon credit was issued, including unique identifying information about the project

    b.   The host country of the relevant project (i.e., the country where the project is implemented)

    c.   Information on the status of the credit (e.g., cancelled or active)."

Information sources considered

1   Verra registry for VCUs, available at https://registry.verra.org/app/search/VCS/VCUs

2   VCS Registration and issuance process v4.0 (September 2019), available at https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf

Relevant carbon crediting program provisions

Provision 1   Source, 2, section 4.6: "The Verra registry displays the status of every VCU issued under the VCS Program. VCUs may have a status of active, retired or cancelled".

Assessment outcome

a.   Yes (1 Point)

b.   Yes (1 Point)

c.   Yes (1 Point)

Justification of assessment

The registry makes all required information publicly available (source 1). On the basis of the information included in the registry, for each VCU the project and the host country can be identified. Moreover, the registry makes information on status of carbon credits readily available (provision 1). In the registry, it is possible to filter VCUs according to their issuance status (active, retired or cancelled). All elements of the indicator are therefore fulfilled.

Indicator 2.1.5

Relevant scoring methodology provisions

"The program has established provisions that identify, or allow the public to identify, for each carbon credit, or each block of carbon credits, the period in which the emission reductions or removals occurred."

Information sources considered

1   Verra registry for VCUs, available at https://registry.verra.org/app/search/VCS/VCUs

2   VCS Registration and issuance process v4.0 (September 2019), available at https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf

3   VCS Monitoring report template v4.0 (September 2019), available at https://verra.org/project/vcs-program/rules-and-requirements/

4   VCS Standard v4.1 (April 2021), available at https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf

Relevant carbon crediting program provisions

Provision 1   Source 3, section 5.4: "Quantify the net GHG emission reductions and removals, summarizing the key results using the table below. Specify breakdown of GHG emission reductions and removals by vintages where the intent is to issue each vintage separately in the VCS registry system.

For non-AFOLU projects, use the following table:

Year	Baseline emissions or removals (tCO$_2$e)	Project emissions or removals (tCO$_2$e)	Leakage emissions (tCO$_2$e)	Net GHG emission reductions or removals (tCO$_2$e)
Year A				
Year…				
Total				

For AFOLU projects, include quantification of the net change in carbon stocks. Also, state the non-permanence risk rating (as determined in the AFOLU non-permanence risk report) and calculate the total number of buffer credits that need to be deposited into the AFOLU pooled buffer account. Attach the non-permanence risk report as either an appendix or a separate document.

For AFOLU projects, use the following table:"

Year	Baseline emissions or removals (tCO$_2$e)	Project emissions or removals (tCO$_2$e)	Leakage emissions (tCO$_2$e)	Net GHG emission reductions or removals (tCO$_2$e)	Buffer pool allocation	VCUs eligible for issuance
Year A						
Year…						
Total						

Provision 2   Source 4, section 3.4.5: "Where a monitoring report and associated verification report divide a monitoring period into vintages, separate VCU issuance records in accordance with vintage periods may be issued, as set out in the VCS Program document *Registration and Issuance Process*".

Provision 3   Source 2, section 4.1.2: "The Verra registry can display separate vintages within one verification period. For example, where the verification period is 1 January 2012 to 30 June 2013, the project proponent may wish to have one VCU issuance record for the 2012 VCUs and a separate VCU issuance record for the 2013 VCUs. The creation of such separate VCU issuance records in respect of one verification period is only possible where the monitoring report and associated verification report specify the vintage breakdown. Thus, the monitoring report and associated verification report will need to specify the number of GHG emission reductions or removals generated in 2012 and the number generated in 2013. Vintage breakdown may be specified at a finer granularity than calendar years, and where vintage dates are specified with day, month and year, corresponding VCU issuance records can be created in the Verra registry accordingly. Where the vintage breakdown or the day, month and year start and end dates for the vintage period are not provided, there can only be one VCU issuance record in respect of the verification report (i.e., the Verra registry shall not arbitrarily assign a vintage breakdown where none is specified in the verification report). *Note – Due to the intricacies of accounting for GHG emission reductions and removals in AFOLU ARR and IFM projects with harvesting, such projects may not break down verification periods into vintage periods when any year within the verification period has a negative number of GHG emission reductions or removals. For such projects, the vintage period shall be equivalent to the verification period*".

Assessment outcome

Yes (1 Point).

Justification of assessment

The period in which emission reductions or removals occurred is defined by the vintage start and vintage end which are specified in the registry (source 1). Additionally, in the monitoring report template, emission reductions can be broken down by different vintages (provision 1). Credits will then be issued according to this information (provision 2). In the registry, separate vintages within one verification period can be displayed (provision 3). The indicator is therefore fulfilled.

Indicator 2.1.6

Relevant scoring methodology provisions

"The program administers a publicly accessible, transparent and easily searchable project database that provides relevant information needed to avoid double counting. The project database may operate as a separately functioning system or be incorporated as part of the program's registry system. The database provides a unique identifier for each project that can be cross-referenced with

carbon credits issued in the program's registry, so that project information can be identified for every carbon credit issued within the registry.

The project database makes, moreover, the following information accessible, either by means of data entries or by means of documents made available through the database:

a. A description of the project, including information on the mitigation technologies

b. The emission sources, sinks, and greenhouse gases included in the calculation of the project's emission reductions or removals, along with the location(s) of all relevant sources and sinks

c. The country and geographical location where the project is implemented, and any other information needed for the project to be unambiguously identified and distinguished from other projects that may occur in the same location

d. The project owners."

Information sources considered

1   Verra registry for VCUs, available at https://registry.verra.org/app/search/VCS/VCUs

Relevant carbon crediting program provisions

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Assessment outcome

General requirement: Yes (1 Point)

a. Yes (1 Point).

b. Yes (1 Point)

c. Yes (1 Point)

d. Yes (1 Point)

Justification of assessment

The registry (source 1) contains different databases, including a list of all projects, all projects registered and all VCUs issued. For each project in the list of all projects (registered), the name of the project is linked to a project-specific website, including project documents that provide a description of the project, information on mitigation technologies, emission sources, sinks and greenhouse gases included in the calculation of the project's emission reductions or removals as well as the location(s) of al relevant sources and sinks. Additionally, the project website contains information on the location of the project. The project owners are indicated in the registry database showing all projects registered (column proponent). Therefore, all elements of this indicator are fulfilled.

Scoring results

According to the above assessment, the carbon crediting program receives 12 out of 12 achievable points. Applying the scoring approach of the methodology, this results in a score of 5.