

## 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="#">5.2 Transparency</a>
Carbon crediting program:	<a href="#">Climate Action Reserve (CAR)</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">30 June 2021</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">2.73</a>

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## Assessment

### Indicator 5.2.1

#### Relevant scoring methodology provisions

“The program makes publicly available on its website the names and affiliations of all non-staff individuals or organizations serving in a professional capacity to support the administration of the program (e.g., members of the Board, advisory groups or expert committees).”

#### Information sources considered

- 1 Program website: Staff (<https://www.climateactionreserve.org/about-us/staff/>), last accessed on 28 June 2021.

#### Relevant carbon crediting program provisions

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#### Assessment outcome

Yes (1 Point).

#### Justification of assessment

The program website (Source 1) lists the names and affiliations of all Reserve Advisory Board members and Governing Board members. Names and affiliations of Working Group members for specific protocols are also listed in the protocol document.

### Indicator 5.2.2

#### Relevant scoring methodology provisions

“Minutes of Board of Directors or Trustees meetings are publicly available on the program’s website.”

#### Information sources considered

- 1 Program website: Board of Directors Meetings (<https://www.climateactionreserve.org/about-us/board-of-directors/meetings/>), last accessed on 29 June 2021.

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

### **Justification of assessment**

Minutes of Board or Trustee meetings are not publicly available on the program's website. Only agendas for the meetings are posted.

### **Indicator 5.2.3**

#### **Relevant scoring methodology provisions**

"The conflict of interest provisions identified in indicator 5.1.5 for non-staff individuals serving in a professional capacity to support the administration of the program (e.g., members of the Board, advisory groups or expert committees) and the code of conduct for staff and registry administrators identified in indicators 5.1.6 are publicly available on the program's website."

#### **Information sources considered**

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

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#### **Assessment outcome**

No (0 Points).

#### **Justification of assessment**

The conflict of interest provisions and the code of conduct are not publicly available on the program's website.

### **Indicator 5.2.4**

#### **Relevant scoring methodology provisions**

"The program defines and publicly discloses the level at which activities are allowed under the program (e.g., project-based, program of activities, etc.) and scope of eligible activities (e.g., which sectors, project types, or geographic locations are or are not included within the scope of the program)."

#### **Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).

## Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.3.1, page 6: “The Reserve only registers GHG projects that follow protocols that have been developed by the Reserve. In other words, only projects meeting the requirements of protocols that have been approved and adopted by the Reserve’s Board are eligible for registration on the Reserve. The Reserve may establish linkages with additional programs in the future to allow other projects to be registered. Approved protocols and information on additional protocols in development are available for download at <http://www.climateactionreserve.org/how/protocols/>.”

Provision 2 Source 1, section 2.4, page 10: “Project Eligibility Criteria. Eligibility criteria specify essential characteristics a project must have in order to register with the Reserve, as well as the conditions under which the Reserve will issue CRTs to a project. In Reserve protocols, eligibility criteria serve three main purposes: [..].”

## Assessment outcome

Yes (1 Point).

## Justification of assessment

Provision 1 defines project types that are allowed to register on the Reserve. Provision 2 specifies the project eligibility criteria including additionality determinations, project location, project start date, project crediting period, bundling of projects, and regulatory compliance, and environmental and social safeguards.

## Indicator 5.2.5

### Relevant scoring methodology provisions

“The normative program documents are publicly available on the program’s website.”

Notes: In the definitions section the Methodology for assessing the quality of carbon credits defines normative program documents as follows: “The documents adopted under a carbon crediting program that specify requirements, procedures, and administrative and operational aspects of the program. This typically includes standards, (such as quantification methodologies), procedures, manuals, guidance documents, and forms.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Climate Action Reserve User Guide. Document issued on August 3, 2016. Online available at: <https://www.climateactionreserve.org/wp-content/uploads/2016/08/2016-Reserve-User-Guide-1.pdf>.
- 3 Verification Program Manual. Document issued on February 3, 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification\\_Program\\_Manual\\_February\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/02/Verification_Program_Manual_February_2021.pdf).

- 4 Climate Action Reserve Terms of Use. Document issued in January 2014. Online available at: <https://www.climateactionreserve.org/wp-content/uploads/2009/03/Final-TOU-1-2014..pdf>.

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 1, page 1: “The Reserve Offset Program Manual summarizes the Reserve’s overarching principles, its general project accounting guidelines, and its rules and procedures for registering projects and creating offset credits for the voluntary market. It also describes the process used by the Reserve to develop protocols for determining the eligibility of, and quantifying reductions from, carbon offset projects. Detailed information on the Reserve’s general operating procedures and verification program can be found in the following documents:

- Climate Action Reserve User Guide [...]
- Climate Action Reserve Terms of Use [...]
- Climate action Reserve Verification Program Manual [...]

### Assessment outcome

Yes (2 Points).

### Justification of assessment

The above documentation and online availability of listed sources clearly specifies that the indicator is fulfilled.

## Indicator 5.2.6

### Relevant scoring methodology provisions

“Input received through public consultations relating to material program updates (e.g., new or updated normative program documents) is documented and the program reports back to the public on how raised issues were addressed.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: <https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve-Offset-Program-Manual-March-2021.pdf>.

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.4.6, page 12: “After Board approval, the Reserve continues to solicit, document, and respond to public feedback and comments on the current version of the protocol. Comments and feedback on adopted protocols can be submitted to the Reserve at [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org). The public is also welcome to contact Reserve staff directly to discuss their comments and concerns. Public feedback and comments are assessed on an ongoing basis and may initiate a revision to a protocol.”

## Assessment outcome

No (0 Points).

## Justification of assessment

The above documentation applies only to protocols. The indicator is therefore not fulfilled.

## Indicator 5.2.7

### Relevant scoring methodology provisions

“The program clearly distinguishes mandatory requirements from recommendations and guidance (e.g., by uniformly applying “shall” for mandatory requirements and “should” for recommendations or guidance throughout its normative program documents).”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2, page 3: “The Climate Action Reserve (Reserve) was created to meet this need by providing a rigorous set of protocols, guidelines, and tools to support the voluntary carbon market.

While each protocol contains guidance specific to individual project types, Reserve protocols also adhere to general project accounting principles. This section describes the Reserve’s standardized project accounting guidelines that are the foundation for all protocols.”

Provision 2 Source 1, section 3.1, page 22: “This manual contains details on the Reserve’s program, policies, and requirements. Users of the Reserve program, including verification bodies, are subject to the requirements and guidance specified in the most recent version of the Reserve Offset Program Manual.”

Provision 3 Source 1, section 2.1.2, page 6: “The Reserve’s offset protocols are designed to be consistent with the principles, requirements, and guidance of two overarching standards for project-based GHG accounting:

- International Organization for Standardization (ISO) 14064, Part 2
- The World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol for Project Accounting.”

Provision 4 Source 1, section 3.2, page 26: “It is possible that a project developer may not have implemented the appropriate monitoring or QA/QC procedures per the protocol on the project start date. Regardless, the project developer must still begin the initial verification period on the project start date. The project developer shall claim no emission reductions for any time period that the project cannot meet the data, monitoring or QA/QC requirements of the protocol.

Provision 5 Source 2, section 3.2, page 11: “The project start date shall be defined by the project developer, but must be no more than 90 days after landfill gas is first destroyed in a project destruction device, regardless of whether sufficient monitoring data are available to report reductions. The start date is defined in relation to the commencement of methane destruction, not other activities that may be associated with project initiation or development.

To be eligible, the project must be submitted to the Reserve no more than twelve months after the project start date.<sup>10</sup> Projects may always be submitted for listing by the Reserve prior to their start date. For projects that are transferring to the Reserve from other offset registries, start date guidance can be found in the Program Manual.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

By drawing on international standards (Provision 3) the program indicates throughout the documents the mandatory or voluntary nature of provisions (see example in Provision 4). Through normative program documents, including project protocols, the program consistently distinguishes between guidance and requirements as well as shall, may, and should (e.g. Provision 5).

### Indicator 5.2.8

#### Relevant scoring methodology provisions

“The program’s registry and project database are publicly accessible through the program's website. The registry includes for each carbon credit information on its status (active or cancelled), its serial number, and its issuance date. The project database includes detailed information on each credited activity, including all documentation required for the approval of the activity (e.g., project design documents, auditing reports, and supporting documentation), and all documentation required for the issuance of carbon credits (e.g., monitoring reports including reproducible emission reductions and/or removal calculations, auditing reports, and supporting documentation).”

#### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Project database: <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=111>, last accessed on 29 June 2021.

- 3 Project database, home menu: <https://thereserve2.apx.com/mymodule/mypage.asp>, last accessed 18 February 2022.

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 4: “To this end, the Reserve uses an open, consultative process for developing protocols; makes protocols publicly available; requires regular, rigorous, and complete reporting from registered projects; and provides a publicly accessible database detailing all relevant information used to quantify GHG reductions for each registered project.”

Provision 2 Source 1, section 3.3.13, page 29: “The Reserve is intended to serve both account holders and the interested public. To this end, information about each project registered with the Reserve is accessible to the public. This openness and transparency provides interested parties with valuable information and helps in still confidence in the Reserve and enhance the credibility of the offset credits it certifies. The public and all account holders can access the following information online:

- Participating companies. Organizations that have an active Reserve account (address or contact information is not disclosed).
- Projects. Projects that are listed or registered with the Reserve. Rejected project submittals and projects that are de-listed prior to registration and/or CRT issuance are not displayed; however, information will be made publicly available indefinitely for any project to which CRTs have been issued, regardless of whether the project is completed, terminated or transferred to another program.
- Project CRTs issued. Projects for which CRTs have been issued along with the quantity of CRTs issued to each project. Current CRT balances in individual accounts are not automatically displayed.
- Search of CRT serial numbers. The Reserve software allows searching for a CRT serial number by batch number or block start or end numbers. This search feature is designed for someone who wants to see details about a given CRT batch (for example, a CRT buyer). It cannot be used to search every CRT issued for a company or project. Search results include whether the CRTs are active or retired and, if retired, the time and date of retirement.
- Accounts disclosed to public. Active or retired CRT balances that account holders have chosen to be shown to the general public.
- Retired CRTs. Displays the CRTs that have been retired by account holders”

Provision 3 Source 1, section 3.4, page 29: “The Reserve requires periodic third-party verification of all GHG projects, as specified in each protocol. This provides an independent review of data and information used to register CRTs. For every project, a third-party verification body reviews documentation, monitoring data, and procedures used to estimate GHG reductions or removals. The verification body submits a Verification Statement and Verification Report that provide the basis for determining the quantity of CRTs that can be issued to the project. The Reserve makes these documents publicly available.”



## Assessment outcome

Yes (1 Point).

## Justification of assessment

Provisions 1, 2, and 3 identify the elements disclosed within the program registry and the function of the registry. Sources 2 and 3 confirm that this information is publicly available and that the public has access to the search function for specific credit serial numbers as well as program documents for registering the project and confirming the quantification calculations. The indicator is fulfilled.

## Indicator 5.2.9

### Relevant scoring methodology provisions

“The program requires that all relevant non-confidential project documentation, including reports from validation and verification entities, be disclosed. The program defines what information would qualify as “confidential”.”

### Information sources considered

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: <https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve-Offset-Program-Manual-March-2021.pdf>.
- 2 Climate Action Reserve Verification Program Manual (February 2021), available at <https://www.climateactionreserve.org/how/verification/verification-program-manual/>.

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 4: “Transparency: Sufficient information should be disclosed to allow reviewers and stakeholders to make decisions about the credibility and reliability of GHG reduction claims with reasonable confidence. Access to sufficient and appropriate GHG-related information is critical for assuring users of the Reserve that a project’s GHG reduction claims are credible. To this end, the Reserve uses an open, consultative process or developing protocols; makes protocols publicly available; requires regular, rigorous, and complete reporting from registered projects; and provides a publicly accessible database detailing all relevant information used to quantify GHG reductions for each registered project. In addition, the Reserve’s standardized protocols reduce ambiguities associated with how project-related information is interpreted.

Provision 2 Source 1, section 2.4.4, page 11: “Details on the allowable crediting period as well as crediting period renewals for each type of project recognized by the Reserve are contained in each protocol. Once a project has reached the end of its crediting period(s) and is no longer being issued CRTs, the project is considered “completed.” Although the project is completed, project information remains publicly available through the Reserve software indefinitely.”

- Provision 3 Source 1, section 3.4, page 29: “The Reserve requires periodic third-party verification of all GHG projects, as specified in each protocol. This provides an independent review of data and information used to register CRTs. For every project, a third-party verification body reviews documentation, monitoring data, and procedures used to estimate GHG reductions or removals. The verification body submits a Verification Statement and Verification Report that provide the basis for determining the quantity of CRTs that can be issued to the project. The Reserve makes these documents publicly available.”
- Provision 4 Source 1, section 3.6.4, page 37: “CRTs may be “retired” to indicate that the emission reductions or removals they represent have been used to satisfy a voluntary GHG emission reduction claim or to offset other emissions. To support such claims, CRTs are taken out of circulation so that they cannot be used to support any further claims. The Reserve retires CRTs by transferring them to a locked retirement account where they remain permanently and in perpetuity, precluding further use or transfer to other parties. Each account holder has its own associated retirement account. Information about retired CRTs is publicly available and includes details like project type, location, serial number, date issued, reason for retirement, etc. to support the transparency of the offsets within the Reserve. There is no charge to retire CRTs. For the greatest level of transparency, Account Holders are encouraged to provide complete details of the purpose of the CRT retirement in the “Retirement Reason Details” field.”
- Provision 5 Source 1, section 3.3.13, page 33: “Publicly Available Information. The Reserve is intended to serve both account holders and the interested public. To this end, information about each project registered with the Reserve is accessible to the public. This openness and transparency provides interested parties with valuable information and helps instill confidence in the Reserve and enhance the credibility of the offset credits it certifies. The public and all account holders can access the following information online:
- Participating companies. Organizations that have an active Reserve account (address or contact information is not disclosed).
  - Projects. Projects that are listed or registered with the Reserve. Rejected project submittals and projects that are de-listed prior to registration and/or CRT issuance are not displayed; however, information will be made publicly available indefinitely for any project to which CRTs have been issued, regardless of whether the project is completed, terminated or transferred to another program.
  - Project CRTs issued. Projects for which CRTs have been issued along with the quantity of CRTs issued to each project. Current CRT balances in individual accounts are not automatically displayed.
  - Search of CRT serial numbers. The Reserve software allows searching for a CRT serial number by batch number or block start or end numbers. This search feature is designed for someone who wants to see details about a given CRT batch (for example, a CRT buyer). It cannot be used to search every CRT issued for a company or project. Search results include whether the CRTs are active or retired and, if retired, the time and date of retirement.

- Accounts disclosed to public. Active or retired CRT balances that account holders have chosen to be shown to the general public.
- Retired CRTs. Displays the CRTs that have been retired by account holders.

Information that is never shared with the public includes:

- Company street addresses
- Company phone, fax or email addresses
- Internal company information, like billing addresses
- Any person's contact information."

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

Publicly disclosed information is detailed in Provision 5 and Provision 1 to 3. Provision 5 also lists information that is not shared publicly. Provision 4 specifies that results of validation and verification are made publicly available. Although Provision 5 identifies some examples of confidential business information "that is never shared with the public", there is no clarity regarding information that qualifies as "confidential" and whether project developers may make this determination themselves. The indicator is therefore not fulfilled.

### **Indicator 5.2.10**

#### **Relevant scoring methodology provisions**

"The program requires that information related to the determination of the baseline scenario, additionality, or the calculation of emission reductions or removals must be disclosed and cannot be considered confidential."

#### **Information sources considered**

- 1 Reserve Offset Program Manual. Document issued on 12 March 2021. Online available at: [https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve\\_Offset\\_Program\\_Manual\\_March\\_2021.pdf](https://www.climateactionreserve.org/wp-content/uploads/2021/03/Reserve_Offset_Program_Manual_March_2021.pdf).
- 2 Forest Project Protocol (Version 4.0, June 2017): <https://www.climateactionreserve.org/wp-content/uploads/2018/05/Forest-Project-Protocol-V4.0-package-05142018.pdf>
- 3 US Landfill Project Protocol (Version 5.0, April 2019): [https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S.\\_Landfill\\_Project\\_Protocol\\_V5.0.pdf](https://www.climateactionreserve.org/wp-content/uploads/2019/07/U.S._Landfill_Project_Protocol_V5.0.pdf)
- 4 CAR Project Registry. Accessed 24 February 2022: <https://thereserve2.apx.com/myModule/rpt/myrpt.asp>

## Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.2, page 4: “Transparency: Sufficient information should be disclosed to allow reviewers and stakeholders to make decisions about the credibility and reliability of GHG reduction claims with reasonable confidence. Access to sufficient and appropriate GHG-related information is critical for assuring users of the Reserve that a project’s GHG reduction claims are credible. To this end, the Reserve uses an open, consultative process or developing protocols; makes protocols publicly available; requires regular, rigorous, and complete reporting from registered projects; and provides a publicly accessible database detailing all relevant information used to quantify GHG reductions for each registered project. In addition, the Reserve’s standardized protocols reduce ambiguities associated with how project-related information is interpreted.

Provision 2 Source 2, section 8.5, page 81: “Transparency. The Reserve requires data transparency for all Forest Projects, including data that displays current carbon stocks, reversals, and verified GHG reductions and removals. For this reason, all non-confidential project data reported to the Reserve will be publicly available on the Reserve’s website.”

Provision 3 Source 3, section 7.1, page 81: “Project developers must provide the following documentation to the Reserve in order to register a landfill gas destruction project:

- Project Submittal form
- Signed Attestation of Title form
- Signed Attestation of Voluntary Implementation form
- Signed Attestation of Regulatory Compliance form
- Detailed system diagram from Monitoring Plan
- Verification Report
- Verification Statement
  - Project developers must provide the following documentation each reporting period in order for the Reserve to issue CRTs for quantified GHG reductions:
    - Verification Report
    - Verification Statement
    - Signed Attestation of Title form
    - Signed Attestation of Voluntary Implementation form
    - Signed Attestation of Regulatory Compliance form

At a minimum, the above project documentation will be available to the public via the Reserve’s online reporting tool of the same name, the Climate Action Reserve. Further disclosure and other documentation may be made available on a voluntary basis.”

## Assessment outcome

No (0 Points).

## Justification of assessment

Provision 1 to 3 require that project documentation needs to be disclosed publicly, which typically includes baseline, additionality etc. However, the provisions are vague by text passages like “For this reason, all *non-confidential [emphasis added]* project data reported to the Reserve will be publicly available on the Reserve’s website”. The program does not define confidential or non-confidential therefore leaving ambiguity for project developers to make their own determinations of what information to withhold. This could potentially impact the ability to reproduce the baseline scenario. By checking the project registry (Source 4), it could be confirmed that verification reports included information on the baseline and additionality, but actual calculation of emission reductions were not disclosed. The indicator is not fulfilled.

## Scoring results

According to the above assessment, the carbon crediting program receives 6 out of 11 achievable points. Applying the scoring approach of the methodology, this results in a score of 2.73.