

## 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="#">ACR + 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="#">3.03</a>

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## Assessment

This document presents the results of the assessment of sub-criterion 6.1 for the combination of the American Carbon Registry (ACR) 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 ACR and SDVISTa apply for deriving the respective indicator score of the combination (see respective detailed evaluations for sub-criterion 6.1 for ACR and SDVISTa on the CCQI website).

<b>Indicator</b>	<b>Outcome category for the indicator (see explanation above)</b>
6.1.1	a
6.1.2	b
6.1.3	c
6.1.4	c
6.1.5	a
6.1.6	a
6.1.7	b
6.1.8	a
6.1.9	a
6.1.10	c
6.1.11	b
6.1.12	b
6.1.13	c
6.1.14	c
6.1.15	a
6.1.16	a
6.1.17	b
6.1.18	c
6.1.19	a
6.1.20	b
6.1.21	c
6.1.22	a
6.1.23	b
6.1.24	b
6.1.25	c
6.1.26	b
6.1.27	b
6.1.28	b
6.1.29	b
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	b
6.1.42	b
6.1.43	c

### 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 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

#### 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.”

Provision 2 Source 2, section 8.A, page 50: “

4. An assessment of the project’s environmental risks and impacts, including factors such as [..]. The assessment shall: 1) identify each risk/impact [..] 4) detail how risks and impacts will be monitored, and how often and by whom [..].

5. For community-based projects, an assessment of the project’s community risks and impacts, including factors such as [..]. The assessment shall: [..] 8) detail how risks/impacts will be monitored, and how often and by whom; [..].”

#### Assessment outcome

No (0 Points).

#### Justification of assessment

ACR requires that the assessment of impacts by the project owners includes a description of who will monitor the impacts. This does, however, not represent an assignment of roles and responsibilities for managing environmental and social impacts as it is only about monitoring. The provisions would need to be expanded in this regard to fulfil the indicator. The complementary standard 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 by the combination of ACR with SDVISta.

## 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 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>
- 3 American Carbon Registry Validation and Verification Standard. Version 1.1. Document issued 01 May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/verification/verification>

### 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. There were no provisions found for ACR regarding the indicator. While the complementary standard 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 therefore not fulfilled by the combination of ACR with SDVISta.

## 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 American Carbon Registry Validation and Verification Standard. Version 1.1. Document issued 01 May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/verification/verification>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

No relevant ACR provisions were found. While the complementary standard 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 indicator is therefore not fulfilled by the combination of ACR with SDVISTA.

## 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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

## 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.”

Provision 2 Source 2, section 8.A, page 50: “The assessment should include the following:

5. For community-based projects, an assessment of the project’s community risks and impacts, including factors such as [..]. The assessment shall: 9) describe the mechanism for ongoing communications with the community and grievance mechanisms, as applicable; and [..]”

Provision 3 Source 2, section 8, page 49: “ACR requires that projects adhere to environmental and community safeguards best practices to:

- Ensure that ongoing communications and grievance redress mechanisms are in place, and that affected communities will share in the project benefits.”

## Assessment outcome

No (0 Points).

## Justification of assessment

The grievance mechanism that project owners need to establish under ACR does not have to provide the possibility to submit grievances anonymously (Provision 2 and 3). The complementary standard does not require the option to provide anonymous feedback or grievances to project owners either (Provision 1). The indicator is therefore not fulfilled by the combination of ACR with SDVISTA.

## 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>
- 3 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### 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).

Provision 3 Source 3, section 8.A, page 50: “The assessment should include the following:

5. For community-based projects, an assessment of the project’s community risks and impacts, including factors such as [..]. The assessment shall: 9) describe the mechanism for ongoing communications with the community and grievance mechanisms, as applicable; and [..]”



Provision 4 Source 3, section 8, page 49: “ACR requires that projects adhere to environmental and community safeguards best practices to:

- Ensure that ongoing communications and grievance redress mechanisms are in place, and that affected communities will share in the project benefits.”

Provision 5 Source 3, section 11.A, page 60: “When a Project Proponent or ACR stakeholder objects to a decision made by ACR representatives or the application of the ACR program requirements, the following confidential complaint procedure shall be followed:

1. Project Proponent or ACR stakeholder sends a written complaint via email to ACR@winrock.org. The complaint must detail the following:

- Description of the complaint with specific reference to ACR Standard and/or ACR Methodology requirements, as applicable;
- Supporting documentation provided for consideration by ACR in the complaint resolution process; and
- Complainant name, contact details, and organization.

2. ACR Senior Management shall assign an ACR representative to research and further investigate the complaint. The representative assigned to handle the complaint shall not have been involved with the issue that is the subject of the formal complaint.

3. ACR Senior Management will provide a written response, via email, to the complainant detailing ACR’s decision on the matter.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

Neither the grievance mechanism of the carbon crediting program nor the grievance mechanism required by project owners includes a provision of a specific response time (Provision 3 to 5). Under SDVISTA, grievances received by the project owner need to be documented 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 indicator is therefore not fulfilled by the combination of ACR with SDVISTA.

### **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 American Carbon Registry Validation and Verification Standard. Version 1.1. Document issued 01 May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/verification/verification>
- 3 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>
- 4 Template for ACR Offset Project Listing Form. Version 2.0. Online available at: <https://acr.soliton.consulting/carbon-accounting/guidance-tools-templates>

### 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, section 1.B, page 10: “The overall goal of third-party validation is to review impartially and objectively a GHG Project Plan against the requirements laid out in the ACR Standard and relevant methodology. The VVB must independently evaluate the project design and planning information, based on supporting documentation and GHG validation best practices.”
- Provision 4 Source 2, section 6.G, page 25: “To examine a Project Proponent’s claims of net positive community and environmental impacts, the VVB shall review publicly available information regarding the GHG project against the GHG Project Plan undergoing validation and the environmental community impact assessment; records

of stakeholder consultations, if any; and results from methodologies and tools used for community and environmental impact analysis. “

Provision 5 Source 3, section 6.B, page 36-37:” The GHG Project Plan shall use the ACR template and include the following information:

Relevant outcomes from any stakeholder consultations and mechanisms for ongoing communication, as applicable;”

Provision 6 Source 3, section 6.A, page 35: “Project Proponent using an ACR-approved methodology shall proceed per the following sequence of steps:

1. Project Proponent submits a GHG Project Listing Form using the template found at [www.americancarbonregistry.org](http://www.americancarbonregistry.org).

2. ACR reviews the GHG Project Listing Form for completeness, and a compatibility check with the ACR Standard, at fees per the currently published ACR fee schedule.<sup>16</sup> This screening results in (a) Project Listing with approval to proceed to Validation/Verification Body (VVB) selection, (b) requests for clarifications or corrections, or (c) rejection because the project is ineligible or does not meet requirements of the ACR Standard. If the ACR screening includes requests for clarifications or corrections, the Project Proponent may re-submit the GHG Project Listing Form for further review. ACR reserves the right to accept or reject a GHG Project Listing at any time and for any reason during the review. A project is considered to be listed once the GHG Project Listing Form is approved. The project listing information and form will then be made public on ACR.

3. Having received listing approval to proceed to VVB selection, the Project Proponent selects an ACR-approved independent third-party VVB to validate the GHG Project Plan and verify the Project’s GHG assertions for the first reporting period as presented in the monitoring report. The VVB shall submit to ACR a Conflict of Interest self-evaluation form for review. ACR must approve the VVB selection prior to the start of validation and verification services based on proper accreditation, conflict of interest review, and VVB rotation requirements<sup>17</sup>.”

Provision 7 Source 3, section “Definitions”, page 69: “Listing. The process by which a Project Proponent submits a draft GHG Project Plan to ACR for review, the successful outcome of which results in the project being approved for listing as a project on the ACR platform. ACR’s review and subsequent approval of a project listing is not a project certification, nor does it take the place of a successful validation and verification.”

Provision 8 Source 3, section “Definitions”, page 72: “ For non-AFOLU projects, the date on which the project began to reduce GHG emissions against its baseline. For AFOLU projects, the date on which the Project Proponent began the activity on project lands, with more specific guidance in the relevant ACR sector-specific requirements.”

### Assessment outcome

No (0 Points).

## Justification of assessment

The carbon crediting program requires that stakeholder consultations shall be documented in the GHG Project Plan (Provision 5). A first draft of this plan needs to be submitted in the first step of the project cycle called “Listing” (Provision 6 and 7). After Listing, this document will be reviewed by the VVB (Provision 3 and 4), which includes the review of records from the consultations.

There are no provisions that require project developers to list projects before the decision to proceed with the project. Restrictions apply only in relation to the start date, which is defined as the date on which the project began to reduce GHG emissions against its baseline (Provision 8 and Source 6).

The provision that stakeholder consultations must be documented in the draft GHG Project Plan is therefore not considered to meet the requirements of the indicator.

The program fulfils the second part of the indicator by requiring project developers to include relevant outcomes from any stakeholder consultations in the GHG Project Plan (Provision 5). Projects can only move to validation by submitting a GHG Project Plan (Provision 6), which implies that stakeholder consultations must be conducted before validation. However, stakeholder consultations are only required where impacts on a community or local stakeholders are identified (see indicator 6.1.17).

The SDVISTa 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. As both the carbon crediting program and the complementary standard lack a provision on an aspect of this indicator, the indicator is not fulfilled by the combination of ACR with SDVISTa.

## Indicator 6.1.21

### Relevant scoring methodology provisions

“The program requires that project owners make key information on the project available to local stakeholders prior to conducting the local stakeholder consultation, such as the project design documents and any supplemental project documentation.”

### 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 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

## 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 1, section 2.2.6, page 7: “All communications, consultations and participatory processes shall be undertaken with stakeholders directly or through their legitimate representatives, ensuring adequate and timely levels of information sharing with the members of the stakeholder groups in a form they understand. Information sharing shall include provision of information about potential costs, risks and benefits to all stakeholder groups.”
- Provision 3 Source 2, section 8.A, page 50: “The assessment should include the following:  
[.]  
3. A description of the process to identify community(ies) and other stakeholders affected by the project and, as applicable, the community consultation and communications plan.  
[.]  
5. For community-based projects, an assessment of the project’s community risks and impacts, including factors such as [...]. The assessment shall: [...] 4) provide detailed information regarding the community stakeholder consultation process (e.g., meeting minutes, attendees), including documentation of stakeholder comments and concerns and how those are addressed;”

## Assessment outcome

No (0 Points).

## Justification of assessment

There was no such provisions in the relevant sections of ACR (Provision 3). For SDVISTa, Provision 1 states that stakeholders shall have the opportunity to influence the project design but does not explicitly include a requirement for sharing documents before the consultation. Provision 2 requires “timely levels of information sharing” which also does not explicitly require – and might only imply that – project owners have to share the project design document and other relevant documents before the consultation. Further, the requirement to share “information about potential costs, risks and benefits to all stakeholder groups” does not necessarily include the sharing of the project design document. The complementary standard’s provisions could be strengthened and clarified regarding this indicator. The indicator is thus considered to not be fulfilled by the combination of ACR with SDVISTa.

## 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 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 American Carbon Registry Validation and Verification Standard. Version 1.1. Document issued 01 May 2018. Online available at: <https://americancarbonregistry.org/carbon-accounting/verification/verification>

### Relevant carbon crediting program provisions

Provision 1 Source 1, 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 2 Source 1, 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.”

Provision 3 Source 2, section 1.B, page 10: “The overall goal of third-party validation is to review impartially and objectively a GHG Project Plan against the requirements laid out in the ACR Standard and relevant methodology. The VVB must independently evaluate the project design and planning information, based on supporting documentation and GHG validation best practices.”

Provision 4 Source 2, section 6.G, page 25: “To examine a Project Proponent's claims of net positive community and environmental impacts, the VVB shall review publicly available information regarding the GHG project against the GHG Project Plan undergoing validation and the environmental community impact assessment; records of stakeholder consultations, if any; and results from methodologies and tools used for community and environmental impact analysis.

Net positive impacts, and the adequacy of community impact analysis and/or stakeholder consultations, are subjective criteria that are difficult to validate and verify. Therefore, the VVB is not required to provide a judgment on the adequacy of these processes or their qualitative results. However, it must confirm that the Project Proponent has evaluated community and environmental impacts, documented a mitigation plan for any foreseen negative community or environmental impacts, and disclosed any prior negative environmental or community impacts or claims of thereof.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

ACR does not require explicitly that VVB engage with affected local stakeholders. The complementary standard requires that a site visit is conducted during the validation process (Provision 1), it is, however, not mentioned if the site visit referred to in the stakeholder section of the validation template (Source 1) includes contact or engagement with local stakeholders (Provision 2). 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 ACR with SDVISTa.

### **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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### 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

There was no relevant provision found for ACR. The complementary standard bans any form of discrimination, but does not explicitly ban any violation of human rights. Therefore, the indicator is considered not to be fulfilled by the combination of ACR with SDVISTA.

## 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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>



## Relevant carbon crediting program provisions

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## Assessment outcome

No (0 Points).

## Justification of assessment

There was no specific requirement for projects found to preserve and protect cultural heritage in the ACR and SDVISTA provisions. 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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### 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

There were no specific provisions regarding health found in ACR provisions. The complementary standard'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). Similar to indicator 6.1.2 of SDVISTA, there are no specific safeguards regarding health found in the complementary standard provisions – for example a list of specific health or safety aspects to consider for the project owners. The indicator is therefore not fulfilled by the combination of ACT with SDVISTA.

## 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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### 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. [..]”

Provision 5 Source 2, section 8.A, page 50: “The assessment should include the following:  
[..]”

5. For community-based projects, an assessment of the project's community risks and impacts, including factors such as [..]. The assessment shall: 5) provide evidence of Free, Prior and Informed Consent for the Project Activity, as applicable; 6) provide evidence of no relocation or resettlement (voluntary or involuntary), as applicable; 7) describe how any negative project impacts will be avoided, reduced, mitigated, or compensated;”

### Assessment outcome

No (0 Points).

### Justification of assessment

ACR requires evidence that no voluntary or involuntary relocation or resettlement has occurred in the context of the project (Provision 5). However, the provision is confusing due to the addition of “as applicable” which questions the mandatory nature of the provision. Limiting the provision through the term “as applicable” is confusing and might open this requirement for interpretation. It is therefore recommended to remove it from the provision.

The complementary standard 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 indicator is therefore not fulfilled by the combination of ACR with SDVISTA.

## 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 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### 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 3 Source 2, section 8.A, page 50: “The assessment should include the following:

[..]

4. An assessment of the project’s environmental risks and impacts, including factors such as climate change mitigation and adaptation, biodiversity, air quality, water quality, soil quality, and ozone quality, as well as the protection, conservation, or restoration of natural habitats such as forests, grasslands, and wetlands. The assessment shall: 1) identify each risk/impact; 2) categorize the risk/impact as positive, negative, or neutral and substantiate the risk category; 3) describe how any negative impacts will be avoided, reduced, mitigated, or compensated; 4) detail how risks and impacts

will be monitored, and how often and by whom; and 5) describe how positive impacts contribute to sustainable development goals.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The assessment and mitigation of negative impacts include water/soil/air pollution and biodiversity under ACR (Provision 1). The management of waste is not mentioned in the provisions. Generally, the complementary standard 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 of SDVISta. The gap of covering waste impacts is thus not filled by the complementary standard. The indicator is therefore not fulfilled by the combination of ACR 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 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 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

#### 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.”

Provision 3 Source 2, section 8, page 49: “ACR requires that projects adhere to environmental and community safeguards best practices to:

- Ensure that ongoing communications and grievance redress mechanisms are in place, and that affected communities will share in the project benefits.”

Provision 4 Source 2, section 8.A, page 49: “As part of the GHG Plan, ACR requires all projects to prepare and disclose an environmental and community impact assessment. Projects’ environmental and community impacts should be net positive.”

### Assessment outcome

No (0 Points).

### Justification of assessment

Generally, ACR requires that environmental and community impacts result in a net benefit (Provision 4). However, this cannot be regarded as a dedicated benefit-sharing mechanism as demanded by this indicator. Provision 3 includes the requirement that “affected communities will share in the project benefits” – it is however not further defined what this share entails as the word “benefit” is used for different positive impacts (also environmental benefits) throughout the document. A specific reference to financial benefits, like “part of the carbon credit proceeds” as in the indicator, would be clearer. 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 assessment of benefit sharing and a prioritization of local employment does not represent a dedicated benefit-sharing mechanism required for projects. The indicator is therefore not fulfilled by the combination of ACR with SDVISTA.

### 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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

#### Relevant carbon crediting program provisions

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#### Assessment outcome

No (0 Points).

#### Justification of assessment

There were no specific provisions regarding invasive species found in ACR and SDVISTA 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>
- 3 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### Relevant carbon crediting program provisions

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### Assessment outcome

No (0 Points).

### Justification of assessment

There were no specific provisions regarding the involvement of experts in safeguard process found in ACR and SDVISTA provisions. 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 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>
- 3 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

#### Relevant carbon crediting program provisions

Provision 1 Source 3, section 3, page 25: “ACR does not require that a particular process or tool be used for the impact assessment as long as basic requirements defined by ACR are addressed



(See Chapter 8). ACR projects can follow internationally recognized approaches such as The World Bank Safeguard Policies, or can be combined with the Climate Community and Biodiversity Alliance (CCBA) Standard or the Social Carbon Standard for the assessment, monitoring, and reporting of environmental and community impacts.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

ACR does not provide specific guidance on how safeguards and impact assessments shall be done but instead formulates basic requirements and refers to internationally recognized approaches. SDVISTA has no complementary provisions on such specific guidance on safeguards. The indicator is not fulfilled by the combination of ACR with SDVISTA.

## **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>
- 2 American Carbon Registry Standard. Version 7.0. Document issued December 2020. Online available at: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard>

### **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 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 27 for the combination of the carbon crediting program and complementary standard. Applying the scoring approach in the methodology, this results in a score of 3.03 for this criterion.