

Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: www.carboncreditquality.org

Criterion:	7.2 Stringency and coverage of the host country's current NDC
Host country:	South Africa
Date of final assessment:	20 May 2022
Score:	Efficient cookstoves: 3 Establishment of natural forest: 3 Landfill gas utilization: 3

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Assessment

Relevant scoring methodology provisions

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

Information sources considered

1. South Africa's first updated NDC which has been communicated to the UNFCCC secretariat on 27 September 2021
https://www.environment.gov.za/sites/default/files/reports/draftnationallydeterminedcontributions_2021updated.pdf
2. Climate Action Tracker assessment for the NDC of South Africa
<https://climateactiontracker.org/countries/south-africa/>

Assessment outcome

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

- Efficient cookstoves: 3
- Establishment of natural forest: 3
- Landfill gas utilization: 3

Justification of assessment

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

Step 1

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

Step 2

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

We use the policy and action projections for South Africa from the Climate Action Tracker assessment dated 27 October 2021 (Source 2). This is the earliest available assessment following the publication of Mexico's first updated NDC on 27 September 2021. The policy and action projections for 2030 are compared to the emission level of the most ambitious of the NDC targets as assessed by Climate Action Tracker (i.e., the lower end of the target range of 350 to 420 MtCO_{2e} for 2030).

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

The Climate Action Tracker estimates that BAU emissions with current policies and actions for 2030 (excluding LULUCF) are likely to correspond to an emissions range between 484 and 488 MtCO_{2e} (Source 2). We use here the average of these two values (486 MtCO_{2e}) as the most likely BAU emissions. According to Climate Action Tracker, the NDC target for 2030 corresponds to an emissions range between 366 and 436 MtCO_{2e} when excluding LULUCF emissions (Source 2). We use here the lower end of the range as the more ambitious target. This is 25% below the likely BAU emissions in 2030. Applying the scoring approach set out in the methodology, this results in a score of 4.

Step 4

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

- Consideration of natural disturbances: In its first updated NDC, South Africa specifies the following with regard to natural disturbances: "For accounting against our NDC target, land sector emissions arising from natural disturbances will be excluded from total land sector emissions/sinks (IPCC 2006 guidelines categories 3B and 3D). This is expected to reduce South Africa's total emissions estimate in the target years by 5-30 Mt CO₂ eq, depending on the occurrence of wildfires during these years. South Africa intends to take this approach to accounting for land sector emissions/sinks to take into account significant interannual variations in emissions from natural disturbances – in the case of South Africa, stemming mainly from wildfires. Emissions from this source vary considerably and unpredictably from year to year, and this variability is likely to grow with further climate change. The overall target will therefore be accounted for by comparing the target value with the GHG emissions total without the land sector (excluding categories 3B and 3D), plus the values for these categories excluding emissions from natural disturbances, which will be reported separately for each corresponding land sector category, in the NIRs accompanying South Africa's Biennial Transparency Reports." This implies that natural disturbances are not accounted for.

- Use of multi-year approaches: The NDC has two single-year targets, for 2025 and 2030. No reference is made to the establishment of a multi-year trajectory or budget. In this regard, the NDC only accounts for emissions in 2025 and 2030.

Since both questions have been answered negatively, the score from the previous step is downgraded by one point, resulting in a final score of 3.