

Comments on the Integrity Council for the Voluntary Carbon Markets (ICVCM) draft Core Carbon Principles, Assessment Framework, and Assessment Procedure

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1. General comments on overall approach

Dear ICVCM expert committee and board,

Thank you for all of your hard work creating the proposed CCP criteria and assessment framework. Your goal – “to provide a credible, rigorous, and readily accessible means of identifying high-quality carbon credits that create real, additional and verifiable climate impact with high environmental and social integrity” – could not be more important.

I am a research fellow at the Goldman School of Public Policy and the University of California, Berkeley, where I run the Berkeley Carbon Trading Project. I’ve studied offset quality for over twenty years, and over the years have studied the outcomes of the Clean Development Mechanism, California’s compliance offset program, and various voluntary offset market project types.

I strongly support many elements of the proposed framework and suggest several ways that it can be, and I believe it must be, strengthened to achieve its goals.

I agree that quality assessments should be performed at the project type level defined as all or subsets of projects under a protocol. Since quality is affected by the detailed methods used to estimate emissions reductions, the assessments need to be of the specific and detailed rules used by each protocol. Since inevitably a set of quantification rules will lead to over-crediting by some projects and under-crediting by others, and since it is hard for program administrators or verifiers to distinguish which are which, analysis at the protocol or sub-protocol level, as you propose, is the right level.

I also agree with the attention placed on uncertainty. Given the inherent uncertainty with estimating true emissions reductions/removals against a counterfactual scenario that never happened and so is not directly measurable, an approach that recognizes uncertainty and treats uncertainty conservatively is needed to ensure quality and trust in the resulting credits.

I also strongly agree with reserving the CCP stamp for credits that are conservatively not over-credited and confidently not associated with harm. Since most project types on the voluntary

carbon market today are over-credited, there certainly will be pressure to weaken the CCP assessment framework to allow more project types to use the CCP stamp. It is important not to weaken the standards to accommodate more projects. Reserving the CCP stamp for credits that conservatively represent the claimed reductions and confidently do not cause harm is necessary for the CCP stamp to retain its meaning and to play a critical role in creating a part of the offset market with trusted quality credits. If the CCP stamp is placed on credits that research finds to be over-credited, trust will be lost in the stamp. If the CCP approach remains true to its stated purpose, it can create a quality bar that registries will seek to meet and that buyers can trust. Currently very few credits will meet the CCP stamp. This means that registries will need to update their protocols to meet the CCP standard to receive the stamp. This is exactly what is needed to drive up quality and create a trusted market that trades in real emissions reductions.

In the below I suggest a few specific ways that the CCP assessment framework can, and I believe must, be strengthened to ensure credit quality.

To succeed in promoting a quality market, one in which credits with the CCP stamp can be trusted to represent their claimed climate benefit and not cause harm, the project type assessments will need to be carried out by teams of individuals without interest in the outcomes of the assessment, with the necessary sectoral, regional, and interdisciplinary expertise, and with the resources to perform the level of analysis/research needed to be successful.

Whether the CCP criteria and assessment framework will be successful at ensuring credit quality depends on how the assessments are carried out in practice. The proposal provides an approach that *could* achieve the goals but does not reasonably ensure that they will be achieved. The criteria are sound – additional, permanent, conservatively estimated – but all registries already use these same criteria and all have produced protocols that have resulted in very high rates of over-crediting across most offset protocols (see articles cited in the Berkeley Carbon Trading Project [Repository of Articles on Offset Quality](#)). Almost all protocols systematically over-credit by failing to effectively filter out or account for (with counterbalancing under-crediting) the participation of non-additional projects, and many also set baselines and emissions factors, or create sufficient flexibility in carbon accounting methods, that systematically over-credits.

The assessment framework is only incrementally better than the framework used by the registries. We see some important additions, such as the need to take into account international leakage (not just domestic leakage).

The proposed assessment process to engage one or two experts to cover all project types in a single scope (e.g. waste, industrial processes) is insufficient for the complex and important task. Much more attention and expertise is needed. For example, please see [this analysis of oxidation rates from landfill gas projects](#) (https://gspp.berkeley.edu/assets/uploads/page/Comments_to_CAR_on_US_LFG_protocol_v6-Delkash_and_Haya.pdf) performed by a researcher with a PhD in environmental engineering that focused on landfill gas emissions; this level of expertise was needed for one technical part of the

protocol assessment. We will soon release comprehensive studies of cookstoves offsets and IFM offsets (please check back soon (in the next few weeks to a month) at the [publications section of the Berkeley Carbon Trading Project website](#). Each comprehensive study required substantial attention by a team with diverse expertise. This is the level of analysis that is needed for each project type.

Recommendations:

- The CCP assessment framework has many elements of a solid approach. The CCP stamp should be reserved for credits that are conservatively not over-credited and confidently not associated with harm. For the CCPs to have a strong influence to create a quality market, the CCP stamp must be trusted by buyers, and this will encourage registries to amend their protocols to receive the stamp. In the below I recommend specific ways to improve the proposed assessment framework to achieve this goal.
- The assessment framework should be made more detailed to lessen the subjectivity involved in making some of the assessments.
- To succeed in promoting a quality market, one in which credits with the CCP stamp can be trusted to represent their claimed climate benefit and not cause harm, the project type assessments will need to be carried out by teams of individuals without interest in the outcomes of the assessment and with the necessary sectoral, regional, and interdisciplinary expertise. Resources should be made available for this level of analysis.
- Assessments should start with a summary of relevant published literature. For complex areas, someone with technical, regional, or sectoral expertise should conduct the literature review. Each project type assessment should include a summary of published literature and a description of how that literature was taken into account in the CCP review.
- Assessments should be updated as relevant literature is published.
- Independent audits of offset projects by type should be performed ex post on how the protocols are implemented in practice and CCP assessments should be updated as needed to patch loopholes and ensure quality.

On safeguards

CCPs (p20) if a program conforms with or goes beyond “widely established best industry best practices on social and environmental safeguards” this does not mean the risk of harm is low. It is well established that safeguard standards help but are insufficient to ensure harm is avoided because of the subjectivity involved in the level to which they are carried out - it is easy to check boxes without ensuring free, prior, and informed consent and that harm is avoided.

Since even best practice in safeguards is insufficient to ensure people and ecosystems are protected, buyers need to do due diligence, and the CCPs are unable to ensure this quality standard is met.

Therefore, the CCPs should avoid project types with substantial risk of harm, especially to marginalized populations.

Recommendation: Since safeguard standards are insufficient to avoid harm, project types with high risk of harm should not be eligible for the CCP stamp.

2. Jurisdictional REDD+

The proposed CCP assessment framework and process contemplates ways to accommodate assessing jurisdictional programs against the CCP standard. The standard aims to assess whether credits can be confidently treated as equivalent to reducing fossil fuel emissions and be tradable with those emissions to meet a carbon target or claim carbon neutrality.

Jurisdictional REDD+ standards (e.g. ART TREES, VCS JNR) are unable to meet the CCP standard to be considered as offsets and should not be considered eligible for the CCP stamp.

Individual jurisdictional programs can be very worthwhile supporting, but a standard, like ART TREES, is unable to “see” whether jurisdictional REDD+ programs meet the CCP criteria. The information needed to assess whether a jurisdictional REDD+ program does not cause harm and meaningfully addresses the drivers of deforestation for long-term (permanent) forest conservation needs deep grounded knowledge of the particular jurisdictional program. The proposed assessment framework does not, and is unable to, require that standards use the levels of knowledge to make expert assessments. The jurisdictional standard, e.g. ART TREES, creates a set of standards that can be verified by a third-party verifier. A third-party verification system is structured to assess a project against an objective set of criteria. The CCPs, one step above the jurisdictional standard, will have a hard time assessing whether a jurisdictional standard effectively “sees” whether proposed jurisdictional programs effectively and permanently address the drivers of deforestation in the particular context and have low risk of harm.

Safeguards – REDD+ (project based and jurisdictional) involves high risk of harm. This is evidenced by a large literature on REDD+ projects that have caused harm. Many if not most case studies of REDD+ projects (REDD-readiness, pilot projects, results based payments, and offset projects) document some level of harm, from fomenting tension within a forest community, to restricting communities from their traditional use of forests, to displacement of villages, to violent suppression protest. The types of activities incorporated into project-based REDD+ programs are many of the same types of activities used by existing and proposed jurisdictional programs, such as the establishment of conservation areas, alternative livelihood programs, and land use restrictions. This literature strongly shows that REDD+ projects have a high risk of harm.

Studies on safeguard standards show that the safeguard standards proposed by the CCP framework can help reduce the risk of harm, especially of the most egregious abuses, but are insufficient to ensure harm is avoided. The reason is that it is hard for a third party verifier to know whether safeguard requirements were carried out fully or superficially.

Drivers of deforestation – Global Forest Watch data on deforestation rates shows high levels of variability year-to-year in deforestation rates across sub-national and national governments. These are due to actions taken by governments as well as exogenous factors such as changes in commodity prices and international supply chains. This means there is a high risk of hot air, at least in the first years of a jurisdictional REDD+ programs -- reductions caused by exogenous factors or by existing policies can be credited. Since jurisdictions are much larger than project lands, even a small amount of leniency in the baseline can lead to a large quantity of hot air.

The goal of jurisdictional REDD+ is to support governments in implementing policies and programs that effectively reduce deforestation. But in order for JREDD+ to receive the CCP stamp, there needs to be confidence that the offset program causes the reductions, and that the program addresses drivers of deforestation in a way that is sustained (permanent) over time. Like with safeguards, the level of on-the-ground knowledge that is needed to assess whether a jurisdictional program addresses the drivers of deforestation in a meaningful and lasting way cannot be written into a standard.

Permanence: It is also unclear how jurisdictional REDD+ programs can meet the CCP permanence requirement since regimes can change and undo policies or reverse trends without recourse.

The challenges of ensuring harm is not caused by a jurisdictional REDD+ program and that the credits represent real, additional, and permanence reductions means that JREDD+ should not be considered as eligible for receiving a CCP stamp.

3. Technical comments on specific passages

Transparency

Currently, project documents for many projects do not include basic information needed to reproduce the credit calculations and assess credit quality, even though the registries already have much of this information already on hand. The default should be that all information in the monitoring reports including shape files and calculations spreadsheet should be publicly released while developers have the option to redact confidential information. This will enhance quality by making quality assessment easier to perform by offset credit buyers and researchers. This level of transparency is easy to achieve since all it involves is the posting of existing documents that should already be in the possession of the registries, and are already in the possession of the project developers and the verifiers.

Recommendation: To be considered to meet the CCP criteria, programs should make all monitoring reports, shape files, calculation spreadsheets, and any other information needed to understand and recreate emissions reduction calculations, publicly available and easily accessible by default, providing developers with the option of redacting confidential information.

Leakage (p109-110, Criterion 10.4)

- It is important to keep in the requirement that leakage should be assessed internationally and not just domestically. Since it is well documented that some project types can be associated with significant levels of international leakage. ([Gan and McCarl, 2007](#); [Meyfroidt and Lambin, 2009](#); [Meyfroidt et al. 2010](#))
- I suggest one change to Step b (3). I recommend adding the language in quotes here: whether the estimation of residual leakage emissions “**and the timing of when leakage is deducted are**” is robust and conservative in light of the uncertainties.

Citations:

Gan, J., & McCarl, B. A. (2007). Measuring transnational leakage of forest conservation. *Ecological Economics*, 64(2), 423–432. <https://doi.org/10.1016/j.ecolecon.2007.02.032>

Meyfroidt, P., & Lambin, E. F. (2009). Forest transition in Vietnam and displacement of deforestation abroad. *Proceedings of the National Academy of Sciences*, 106(38), 16139–16144. <https://doi.org/10.1073/pnas.0904942106>

Meyfroidt, P., Rudel, T. K., & Lambin, E. F. (2010). Forest transitions, trade, and the global displacement of land use. *Proceedings of the National Academy of Sciences*, 107(49), 20917–20922. <https://doi.org/10.1073/pnas.1014773107>

Assessment process - Part 6

2.2.4 Assessment of submission

When reviewing a program, in addition to program documents and the materials submitted by the program, the Executive Secretariat should also review “relevant peer review and gray literature”. This should be included explicitly.

3.3.2 - What information will be used

Peer reviewed literature and working papers by independent researchers should be seen as primary information used to make program- and credit type-level assessments of quality, in addition to information provided by the program and available on the program’s website. This should be explicitly included in this section.

3.4.4 - Suspension of CCP eligibility of a credit type

Currently published research on offsets quality is fairly limited. As more comprehensive studies of offset project types are performed, or more research is published on specific emissions calculation factors, the CCPs should be reevaluated. If protocols are found to over-credit, registries should amend protocols to avoid over-crediting or otherwise, new credits should no longer be allowed to hold the CCP stamp.

4. Answer to specific questions

Are there principles, criteria and requirements that are not included and should be added? (p23)

Yes. Transparency should be included as a requirement by project types to receive the CCP stamp. Project documents should be made publicly available in full, including monitoring reports, shape files, and calculation spreadsheets, sufficient to allow emissions calculations to be recreated and quality to be assessed by credit buyers and researchers. Specific information can be redacted, but the default should be release unless there is a redaction request.

Should the Integrity Council draw on assessments by the Technical Advisory Body under CORSIA or any other comparable body? (p24)

It will be important for the ICVCM to perform its own assessments. CORSIA accepted many project types that research has found to be of poor quality and so CORSIA should not be viewed as an authoritative assessor of offset quality.