

Joint press release

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Quality of carbon credits: new interactive scoring tool online

The Carbon Credit Quality Initiative (CCQI) today unveiled a new online scoring tool that allows users to evaluate the quality of carbon credits. This will allow them to make more informed decisions when purchasing carbon credits. Ultimately, the initiative aims to improve the overall quality of credits being transacted in the market.

The tool awards scores for the quality of three commonly used project types in the voluntary carbon market – landfill gas utilization, establishment of natural forest, and efficient cookstoves – and includes the four largest carbon credit programs: the Clean Development Mechanism (CDM), Climate Action Reserve, Gold Standard and Verified Carbon Standard. It was developed jointly by the Environmental Defense Fund, the World Wildlife Fund (WWF US), and Oeko-Institut and is available free of charge today at www.carboncreditquality.org.

Quality improvement needed

The voluntary carbon market has grown rapidly in recent years. More and more organizations and companies have adopted net zero emissions targets and use carbon credits to offset part of their emissions or to finance climate mitigation measures elsewhere. The quality of carbon credits in the market is, however, very mixed to date.

The first round of CCQI scorings show that carbon credits often perform well in some areas but poorly in others. Efficient cookstove projects, for example, face serious shortcomings in quantifying emissions reductions. In addition, they do not ensure that the carbon they store will not be released back into the atmosphere at a later point in time. On the other hand, however, they often generate high social benefits.

"CCQI's first round of scoring confirmed that there is both wheat and chaff in the carbon credit market. The important thing, however, is that the consumer can tell the difference", summarizes Pedro Martins Barata, Senior Director of Climate at the Environmental Defense Fund. "Free, transparent resources like our Scoring Tool can move the market toward quality by helping users to identify what quality means for carbon credits."

Strict quality criteria of the CCQI methodology

Carbon credits are evaluated using CCQI methodology which scores a given carbon credit on an interval scale of one through five against several quality objectives. In addition to a robust quantification of greenhouse gas emissions, these include that the emission reductions from climate mitigation projects are

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additional, that carbon is stored as permanently as possible, and that emission reductions not counted twice. In addition, it is assessed whether projects must meet comprehensive environmental and social safeguards and that the technologies contribute to the transition to a zero-emissions future in the host countries.

"To be of good quality, carbon credits must meet a whole range of requirements at the same time," says Dr. Lambert Schneider, research coordinator for international climate policy at the Oeko-Institut. "We designed our online tool so that users can get a nuanced view of the various quality features of carbon credits."

"When buyers come to the carbon credit market, they are sometimes surprised that detailed guidance on how to evaluate credits is not publicly available," said Brad Schallert, WWF's director of carbon market governance and aviation. "CCQI hopes to fill this information gap by offering our scoring tool as one of several steps a buyer takes when conducting due diligence on how credits might differ in quality."

[Website and scoring tool of the Carbon Credit Quality Initiative by Environmental Defense Fund, World Wildlife Fund \(WWF US\) and Oeko-Institut](#)

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