



Quality standards for climate protection projects

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Background

Within holistic climate strategies, the offsetting of unavoidable greenhouse gases (GHG) is an important element in effectively promoting global climate protection and sustainable development. In doing so, it is essential to firstly avoid and reduce one's own GHG-Emissions where possible. For the remaining, unavoidable emissions appropriate offset projects should be financed. The Foundation Development and Climate Alliance recommends the purchase of high-quality emission certificates from newly industrialising and developing countries which also ensure a wide range of development impacts in line with the United Nations 2030 Agenda.

1. Criteria for the quality assurance of compensation projects and emission certificates











To ensure that each emission certificate represents one tonne of CO₂-equivalent (CO₂e) that has been reduced, avoided or sequestered, that environmental integrity is maintained and that development impacts are effectively achieved, the following quality criteria must be observed when planning, implementing, and supporting offset projects:

- In addition to their climate impact, the measures make a **positive, measurable** contribution to further **UN Sustainable Development Goals (SDGs)**
→ *It must be ensured that measurable effects on SDG 13 and further SDGs are demonstrated and recorded. Potential negative effects on sustainable development must be considered and if possible be eliminated.*
- The **local population** in the project regions is involved and criteria for **minimising environmental and social risks** are applied.
→ *It must be ensured that the certification programmes apply international Environmental & Social Safeguards (ESS). Among other things, the local population should be involved from the start of the planning phase of a project.*
- The **additionality** of a project ensures that it could not be implemented without the revenue from the sale of emission certificates.
→ *For example, it must be ensured that a wind power plant would not have been implemented without the additional investment. Otherwise, the project would merely generate additional profits that do not contribute to additional climate protection. Accordingly, the two largest standards – Gold Standard and Verra – have, since 2020, generally excluded newly registered, grid-connected renewable energy projects. Exceptions apply to projects in so-called Least Developed countries (LDCs) and in the case of the Gold Standard, additionally for countries classified as Small Island Developing States (SIDS) and Landlocked Developing Countries (LLDCs).*
- The emission savings or the (natural or technical) sequestration of emissions must be guaranteed on a permanent basis (**permanence**).
→ *For example, for forestry projects permanence must be guaranteed. What timeframe do savings apply for? How are the certified emission reductions secured if a forestry project is destroyed by a storm, fire or beetle infestation? Is a safety buffer included or have other measures been taken by the certifier/project developer?*
- Robust methods for **calculation, monitoring, verification, and baselines** must be applied and these must be **independently validated and verified**.
→ *Caution is required, for example in cases of overestimating emission reductions, which can result in an excessive number of certificates.*
- The risk of **carbon leakage** must be taken into account. This refers to the displacement of emissions that are reduced in one place but then emitted elsewhere due to the project.
→ *Has it been ensured that leakage effects are minimized? For example, in forest protection projects it must be ensured that deforestation does not shift to another area in the region because the land is needed for agriculture.*
- The databases for the registration and retirement/cancellation of acquired certificates must provide **transparency** regarding the calculation of emission reductions and the methodologies applied. Each retired certificate may be assigned to one transaction only.
- **Prevention of double counting:** With the adoption of the rulebook for implementing the Paris Agreement (Paris Rulebook), it must be ensured that emission reductions are not counted multiple times. Consequently, future certificates in the voluntary market should also carry a Corresponding Adjustment (CA).
→ *See below: Voluntary offsetting under the Paris Agreement.*

- The emission reduction of ex-ante certificates lies in the future. Therefore, these certificates cannot be used for offsetting and thus cannot serve as proof of a climate impact that has already been achieved.
 → Pay particular attention to ex-post-certification if you purchase credits from reforestation projects, if you want to apply the certificates to your own emissions balance. Alternatively, ex-ante certificates can be used as a “contribution claim” – meaning they are not applied to your own emissions balance.

The Foundation Development and Climate Alliance recommends that their supporters ask providers of emission certificates about these aspects before deciding to support a project.

As proof of the criteria mentioned above, we recommend the following standards or combinations of standards for the purchase of emission certificates. These demonstrate both the **climate and development impacts of the projects** and often only guarantee a contribution to sustainable development when standards are combined.

High-quality emission certificates for climate protection and sustainable development (August 2024)	
Gold Standard for the Global Goals or Gold Standard (GS4GG bzw. GS VER)	
Verified Carbon Standard + Climate, Community & Biodiversity Standards (VCS + CCBS)	 + 
Verified Carbon Standard + Social Carbon Standard (VCS + SCS)	 + 
Fairtrade Climate Standard (GS VER + Fairtrade)	 
Plan Vivo (PVC)	
Clean Development Mechanism + Gold Standard (CDM CER + GS)	 + 

If you have any questions about standards that are not listed, please do not hesitate to contact us.

The list of quality standards is regularly reviewed and updated by the foundation. In the future, you will also need to ensure that all the standards listed above have a *corresponding adjustment* for certificates to be credited to your own emissions balance sheet (see section 3).

CCQI quality check

A general and independent assessment of various project types and standard programmes can also be carried out using the CCQI’s openly accessible online tool. Based on key information from the certificates an evaluation is provided according to **seven quality criteria**: 1. Robust determination of the impact on GHG-Emissions, 2. Avoidance of double counting, 3. Dealing with non-permanence, 4. Support for the transition to net-zero emissions, 5. Strong institutional regulations and processes, 6. Environmental and social impacts, 7. Climate protection ambition of the host country.



2. Why are development impacts important for climate protection?

Climate protection can only be successful in the long term if it is implemented in a way that is integrated with other dimensions of sustainability. At the same time, sustainable development cannot progress without effective climate action. Therefore, for projects within the voluntary carbon market to have the greatest effect they must follow a holistic approach. In addition to reducing GHG-Emissions, projects should also generate positive contributions to other objectives of the 2030 Agenda (SDGs).

The link of various positive effects on sustainable development increases local acceptance of the projects and strengthens their long-term effectiveness. Such projects often promote additional *co-benefits* that improve the well-being of people and the environment, while supporting long-term climate protection. For example, a renewable energy project involving the construction of small biogas plants can not only reduce greenhouse gas emissions (SDG 13) and expand access to affordable and clean energy (SDG 7) but also improve the living conditions of local communities. For instance, women and girls no longer need to collect firewood for energy, saving time and financial resources which can then be invested in equitable and high-quality education (SDG 4). Furthermore, by reducing the need for firewood and helping to prevent deforestation, terrestrial biodiversity can be protected (SDG 15). At the same time, greater educational opportunities and equal access can foster stronger community engagement in local climate protection efforts.

3. Voluntary offsetting under the Paris Agreement - What has changed?

The Paris Agreement has fundamentally changed the framework conditions for the implementation of carbon offset measures. Under the previously applicable Kyoto Protocol, the majority of climate protection certificates in the voluntary carbon market were generated in newly industrialising and developing countries. On one hand, this enabled important investments in sustainable development in countries that have contributed very little to the climate crisis but are the most affected by it. On the other hand, implementation in these countries brought several advantages: costs were generally lower and most importantly there was no risk of double counting of emission reductions. This was due to only industrialised countries having binding climate protection targets, under the Kyoto Protocol.

The Paris Agreement changes this by obliging all countries to implement climate protection measures and to submit the most ambitious national climate protection targets possible.

As a result, every climate protection measure now theoretically contributes to achieving the targets of its host country.

If the offset certificates generated by such measures are then used to achieve a climate neutrality target of a company or another country, this leads to double counting of emission reductions.

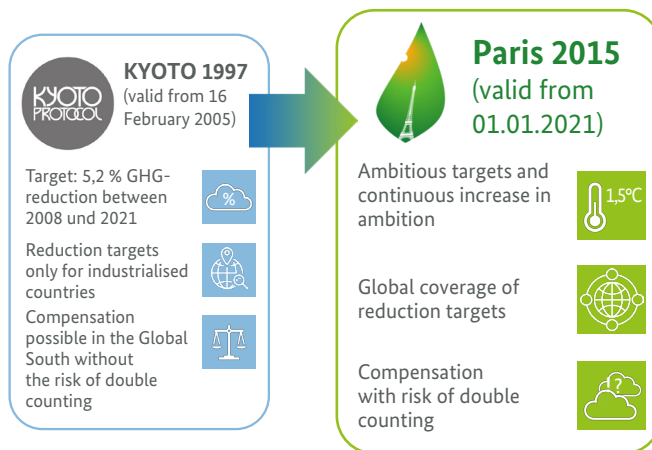


Fig. 1: Paradigm shift from the Kyoto Protocol to the Paris Agreement

In November 2021, the rulebook for Article 6 was adopted at the climate conference in Glasgow. Among other things, it regulates the prevention of double counting of emission reductions within the compliance market. For the accounting of GHG-Reductions within the voluntary carbon market, it should also be ensured that emission reductions are not counted twice. Therefore, certificates within the voluntary carbon market will have to disclose a corresponding adjustment. A **corresponding adjustment** ensures that each reduction is credited only once. The host countries are responsible for the authorisation and issue of corresponding adjustments.

Various standard organisations such as the Gold Standard are already adapting their certifications and registers to reflect these new rules.

The Foundation Development and Climate Alliance advises to check on the current status before purchasing emission certificates. Regular updates can be found on our website. We also recommend aligning offset projects more closely with your own climate protection strategy. For example, if your goal is not to achieve 'climate neutrality' or 'net zero' but to follow a 'contribution claim approach,' you would finance climate protection projects without crediting them to your own balance sheet, thus no corresponding adjustment is required. The foundation has analysed and tested the potential of such a 'financial contribution' in practice with various stakeholders. Guidelines for implementing the contribution claim model can be found [here](#).