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# Project Implementation Working Group

Identifying Risks Inherent in Project Development  
March 2016 C-AGG Meeting

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# Agenda

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- Working Group Introduction
- Discussion of first WG deliverable
- WG proposed next steps
- Discussion with participants

# C-AGG's Implementation Working Group (WG) Introduction

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## Participants

### Project Developers

Ryan Anderson, Delta

Alastair Hadley, Carbon Credit Solutions

Mathieu Dumas, COOPCarbone

### Verifier/Registry

Rori Cowan, ACR

### Advocates

Sara Kroopf, EDF

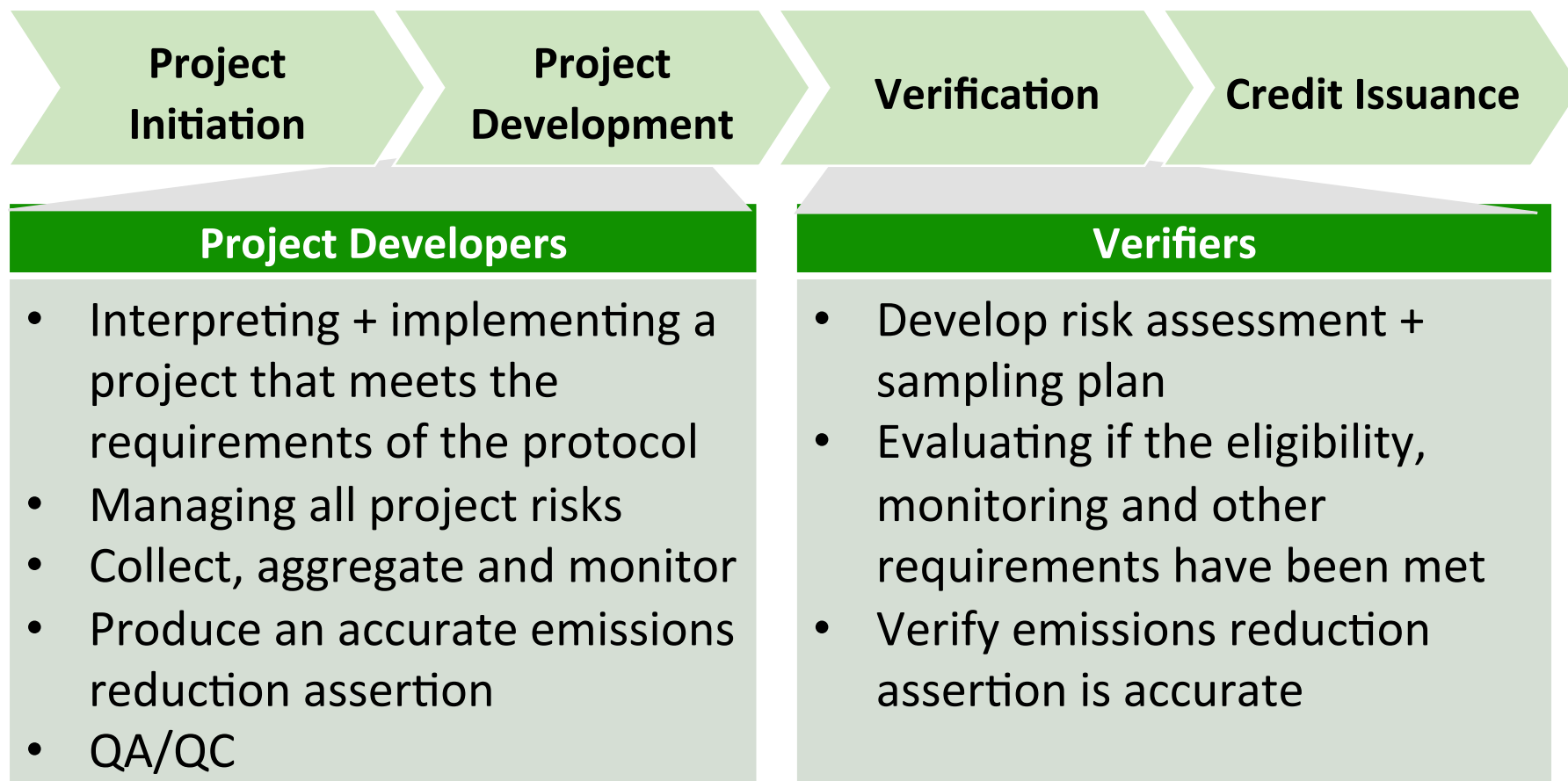
## Goals

- To look for ways to move project development forward in the US agriculture sector
- To look for opportunities to minimize transaction costs by fostering collaboration amongst participants along the project development life cycle
- To develop effective strategies for farmer education and outreach

## Activities

- Development of materials that will aid project developers and verifiers during the project implementation process

# Project Developers and Verifiers Responsibilities in Credit Generation Process



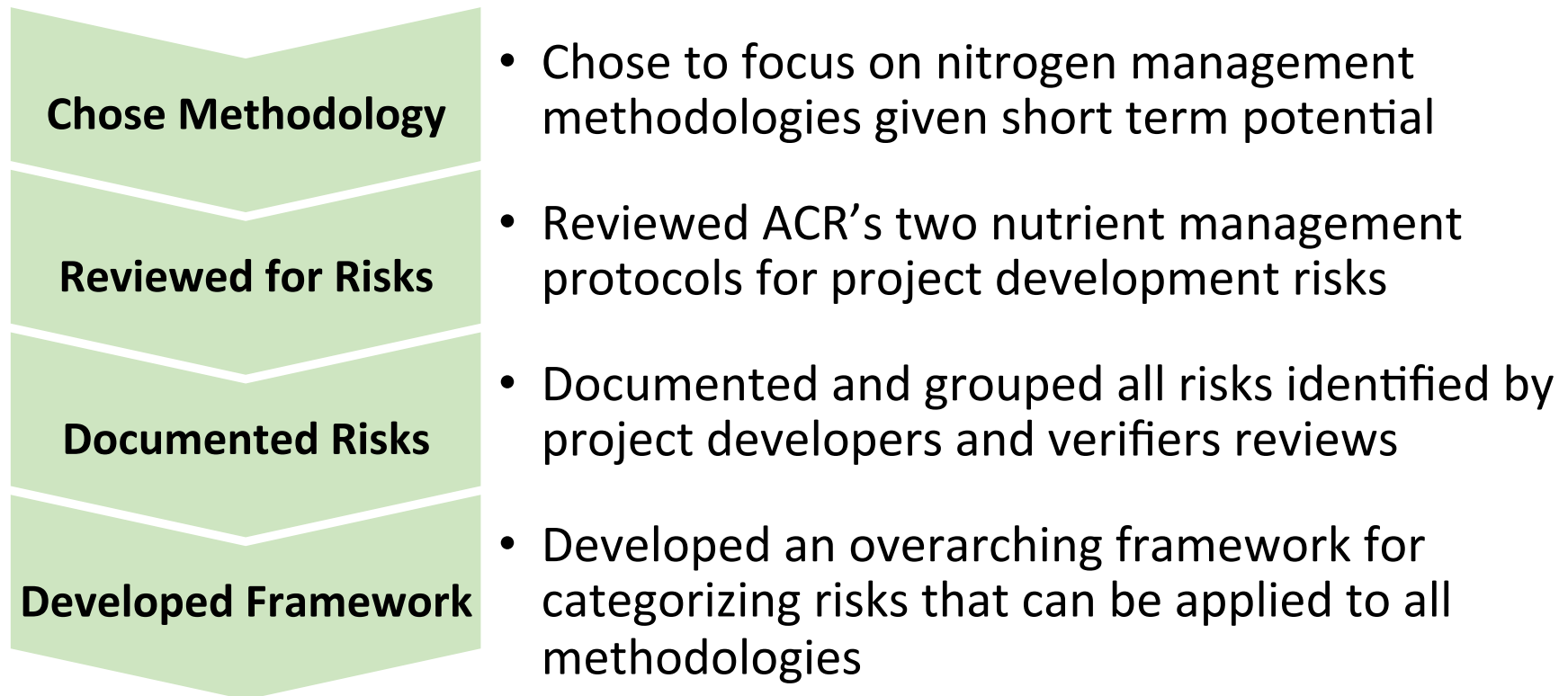
WG document helps both parties view a methodology from the same lens minimizing the variability that exists when the methodology is interpreted in isolation

# Overview of WG Risks Document Process

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**Purpose:** To develop a common understanding of the risks associated with a nutrient management protocol

## Document Development Process



# N<sub>2</sub>O Risks

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- We identified over 30 distinct risks, including:
  - Field eligibility
  - Incorrect nitrogen sources
  - BMP's not followed
  - Crop is grown on ineligible soils
  - Insufficient data management systems
  - Regulatory conformance
  - Field sizing

## Example of How a Project Developer Would Use the Document

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Review risks to develop preventative, detective and corrective controls in data systems and business processes to mitigate the risk

Consider the following risks of misstatement:

Field size claimed exceeds arable area of the property

Field size claimed exceeds area of the property

## Preventative Control

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### Business Process Controls

Data entry is required to measure the arable area on a property and record that area in a system database.

Property area is taken from land titles and stored in a system database.



## Preventative Control

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### Software Controls

Coding software to reject a field size that exceeds the area of the property or the arable area of the property.

Emission reductions default to zero if the field size and property areas are not flagged as checked.

## Detective Control

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### Software Control

Stored data base procedures run data checks nightly and reports exceptions to the data team.

### Business Process Control

Areas recorded are checked by quality control team for accuracy and flagged as “Checked” in the system.

## Result of Review

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### Risk Management Document

This is a document that details known risks and the associated controls that have been implemented to mitigate the risk. It is a tool that project developers can use throughout the project development process.

## How a Verifier Can Use this Document

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- Verifiers must conduct a risk assessment that reviews all project parameters including monitoring requirements and eligibility criteria.
- Risks are assigned a label of preventative, detective and/or corrective controls and a risk rating in order to develop a sampling plan
- This document should help verifiers in the development of templates, highlight the necessary crop/farm practice training verifiers might need, as well as in scoping validation/verification budgets and personnel.

# Key Learnings

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- Clearly identifying methodology risks allows project developers and verifiers to **approach the methodology using the same paradigm**
- **Many risks are the same regardless of the project type** and project developers can benefit from implementing risk-mitigation controls that they can use across project types
- **Controls will vary** by project developer, but **should accomplish the same end goal**
- If project developers implement sufficient controls **verification can move from substantive to control based**
- C-AGG's collaborative approach and diverse WG membership offered members the opportunity to engage in **constructive debates and discussions on project development challenges**

# Working Group Next Steps

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- Items under consideration
  - Developing a training for project developers and verifiers focused on agriculture specific protocols that would supplement current training provided
  - Creating a library of documents that outline the risks of all agriculture protocols



- We are looking for new members to add more perspectives to our process! Contact [monica@c-agg.org](mailto:monica@c-agg.org) if you are interested.

## Discussion Questions for the Audience

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- What topics could benefit from communal research and review by this work group?
- Given the list of the original WG project goals, what other barriers exist for project development that could be addressed through a WG?
- The WG suggested “Developing a training for project developers and verifiers focused on agriculture specific protocols that would supplement current training provided”
  - Where would a training like this be held?
  - Could you recommend attendees?
  - What would the training curriculum include?

# Exploration of Project Development Risks for Nutrient Management Projects

