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Procedure

Avoiding Double Claiming

Summary

This document outlines the Equitable Earth requirements for avoiding double claims for international mitigation purposes other than Nationally Determined Contributions (NDCs) and the procedure to rectify situations where a double-claiming event occurs.



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1 Introduction

1.1 Normative References

1.1.1 This document must be read in conjunction with the following documents:

- [Programme Manual](#)
- [Terms & Definitions](#)



2 Avoiding Double-Claiming

2.1 Concepts

Contribution and Offsetting Claims

- 2.1.1 Voluntary contributions and offsetting claims represent action taken without any government mandate.
- 2.1.2 Unless specified by the host country, these actions do not require approval or a corresponding adjustment (CA).
- 2.1.3 If no approval or CA is required, the net removals achieved by the project may be counted towards achieving the NDC of the host country. Voluntary claims based on the retirement of these VRUs do not represent double-counting with the host country NDC, i.e., double claiming.

Paris Agreement and Related Claims

- 2.1.4 VRUs used in the context of Article 6 of the Paris Agreement or other mitigation purposes, such as CORSIA, must demonstrate compliance with requirements and procedures under these mechanisms and/or programmes.
- 2.1.5 When used as Internationally Transferred Mitigation Outcomes (ITMOs), the host country must adjust its national GHG inventory..

Authorised Uses

The authorised uses of VRUs under the Equitable Earth Programme are the following:

- 2.1.6 Contribution to the NDC target of the purchasing country through the use of ITMOs.
- 2.1.7 International mitigation purposes beyond NDCs, including those under other international mechanisms, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) operated by the International Civil Aviation Organisation (ICAO).
- 2.1.8 Retirement of VRUs in line with regulatory schemes, which include but are not limited to carbon tax regimes such as those in Singapore, Colombia, and South Africa.



- 2.1.9 Retirement of VRUs against voluntary emissions pledges in the context of the voluntary carbon market.

Corresponding Adjustments

- 2.1.10 When a mitigation outcome (e.g., a VRU or carbon credit) is generated within the host country's jurisdiction and transferred to another party (e.g., a country or airline under CORSIA) and it is used towards the target of the acquiring party (e.g., an NDC or sectoral obligation), a corresponding adjustment (CA) is applied at the host country to its national GHG inventory. This ensures the mitigation outcome is counted only once, i.e., towards the target of the purchasing party, as it is no longer counted in the national GHG inventory and NDC target.
- 2.1.11 A host country may choose whether or not to apply corresponding adjustments for credits used in the voluntary carbon market.
- 2.1.12 Corresponding adjustments are required when the authorised use has been granted and the “first transfer” conditions are met. The host country may choose one of the following conditions to satisfy the “first transfer” requirement when a CA is applied:
- 1) Authorisation of the VRU
 - 2) Issuance of the VRU
 - 3) Retirement of the VRU

2.2 Authorised Uses Eligibility

General Principles

- 2.2.1 To qualify for the authorised uses and obtain the corresponding eligibility on the registry, projects must:
- 2.2.1.1 Obtain a Letter of Authorisation (LoA) from the host country.
 - 2.2.1.2 Establish an arbitration mechanism with the host country for dispute resolution.
 - 2.2.1.3 Contract a pre-approved insurance mechanism to cover the risks of double claiming.



Host Country Authorisation

- 2.2.2 An LoA must be obtained from the country's UNFCCC National Focal Point for a project to qualify under the authorised uses. A project may use the template of the host country, where available, to obtain a LoA. Where the host country does not have a template, the project may use one of the following provided by Equitable Earth:
- 1) Letter of Authorisation for CORSIA
 - 2) Letter of Authorisation for Other Purposes
- 2.2.3 For a project certified under the Equitable Earth Programme, the LoA issued by the UNFCCC National Focal Point must explicitly:
- 2.2.3.1 Identify the project and its activities, confirming that the project enhances removals within the country.
 - 2.2.3.2 Acknowledge that Equitable Earth has issued, or intends to issue, VRUs for a defined volume of net GHG removals within the country.
 - 2.2.3.3 Authorise and report the use of net GHG removals achieved by the project, issued as VRUs, by airline operators and/or by voluntary market buyers towards climate targets.
 - 2.2.3.4 Declare that the country will not use net GHG removals of the project to track progress towards, or to demonstrate achievement of, its NDCs. The UNFCCC National Focal Point must account for their use by other entities (e.g., airline operators and/or voluntary market buyers) towards climate targets by applying relevant CAs in the country's biennial transparency reports.
 - 2.2.3.5 Define the "first transfer" condition for applying a corresponding adjustment, clarifying whether this refers to authorisation, issuance, or the retirement or cancellation of the VRUs.
 - 2.2.3.6 Request Equitable Earth to provide information promptly to the UNFCCC National Focal Point regarding the use of the corresponding VRUs.
- 2.2.4 Equitable Earth publicly discloses all LoAs that have been approved on the Equitable Earth [Registry](#).



Arbitration Mechanism

Projects must establish an arbitration mechanism to resolve disputes between the developer and the host country regarding the revocation of a CA. The arbitration mechanism must be attached to the LoA and include the following elements:

2.2.5 **Scope and applicability.** The mechanism applies to entities and issues governed by arbitration, typically involving the developer and the host country regarding LoA execution. The matters subject to arbitration may include:

- 1) Conflicts arising from failure to adhere to the requirements for CAs
- 2) Conflicts concerning the application of the compensation mechanism to prevent double claims
- 3) Any other disputes about the terms outlined in the LoA.

2.2.6 **Triggering conditions for arbitration:** The procedure through which either party may initiate arbitration. This may include, for example, submitting a written notice specifying the nature of the dispute and the desired outcome.

2.2.7 **Selection of an arbitration panel:** The process for appointing arbitrators. This could involve each party selecting one arbitrator, followed by the selection of a third by mutual agreement, or by a pre-agreed independent institution. The panel should include individuals with relevant expertise in international environmental law, carbon credit mechanisms, and relevant technical fields.

2.2.8 **Arbitration rules:** Specifications of which arbitration rules will govern the proceedings.

2.2.8.1 **Jurisdiction or applicable law.** The arbitration must operate under international law, the law of the host country, or a neutral jurisdiction agreed upon by both parties.

2.2.8.2 **Arbitration framework.** The process must follow internationally recognised arbitration rules (e.g., [UNCITRAL Arbitration Rules](#) or [International Chamber of Commerce](#)).

2.2.8.3 **Location.** Arbitration must occur at a neutral location agreed upon by both parties.

2.2.8.4 **Language.** Arbitration must be conducted in a language agreed upon by both parties.

2.2.8.5 **Confidentiality.** Proceedings should be confidential except as necessary to enforce the outcome or as required by law.



- 2.2.8.6 **Timeline and deadlines.** Establish a clear timeline for the arbitration process, including deadlines for submitting evidence, holding hearings, and issuing a decision.
- 2.2.9 **Resolution and enforcement:** Both parties must agree to abide by the final decision. The panel's decision should provide clear directives for resolving the dispute. Both parties must agree to take the necessary actions to implement the decision promptly.
- 2.2.10 **Costs of arbitration.** Both parties must define how the costs of arbitration, including arbitrator fees, will be allocated between each party.
- 2.2.11 **Enforcement and appeals.** Provisions for enforcing the arbitration award, including conditions for a limited number of appeals. Such appeals may be permitted only under strict, specific circumstances. This could include procedural irregularities or the emergence of additional material evidence.

Insurance

- 2.2.12 All projects seeking Article 6 or CORSIA eligibility on the Equitable Earth [Registry](#) must contract a pre-approved insurance provider to mitigate the risk of double claiming of the same net GHG removals by both the purchasing party and the host country. Pre-approved insurance providers may include the [Multilateral Investment Guarantee Agency](#) (MIGA) or [Kita](#).
- 2.2.13 The insurance must:
- 2.2.13.1 Replace an equivalent volume of any double-counted units authorised for use under Article 6 or other mitigation purposes, whether they are VRUs or other eligible units; OR
 - 2.2.13.2 Financially compensate for the procurement of an equivalent volume of VRUs or comparable eligible units.

2.3 Reporting

Host Country Reporting

- 2.3.1 As stated in the LoA, host countries must submit biennial reports to UNFCCC on the authorisation of VRUs and their CAs.



Equitable Earth Reporting

- 2.3.2 Equitable Earth must proactively collect evidence to verify the correct implementation of CAs by a host country. This evidence is obtained from host country reports submitted to the UNFCCC. If no CAs have been made or justified, Equitable Earth requires the activation of the compensation plan from the developer. This mechanism is described in the *Rectifying Double Claims* section.
- 2.3.3 Equitable Earth must publish reports detailing:
- 1) The quantity of Article 6 or CORSIA-eligible VRUs issued per country in the calendar year and their use
 - a) For CORSIA specifically, the quantity of CORSIA-eligible VRUs retired by each purchasing entity (e.g., aeroplane operator, airline) for each CORSIA compliance period.
 - 2) The quantity of Article 6 or CORSIA-eligible VRUs for which countries have applied a CA in the calendar year
 - 3) The quantity of Article 6 or CORSIA-eligible VRUs subject to double-claiming in the calendar year
- 2.3.4 The reports must reference the VRUs with serial numbers or a specific reference to the LoA.
- 2.3.5 The reports must be publicly shared on the Equitable Earth [Registry](#) and submitted to UNFCCC Focal Points linked with the authorisation of VRUs and relevant organisations (e.g., ICAO) within six months following the close of the calendar year.



2.4 Rectifying Double Claims

Application

2.4.1 Any double-claimed units that have not received a CA must be compensated with a volume of eligible units equal to the number of units double-claimed by the host country. This occurs with:

2.4.1.1 **Revocation of a CA.** A CA is not applied as previously agreed with the developer, or if reliable evidence is not procured within one year from the date the host country was expected to report the CA to the UNFCCC.

2.4.1.2 **Non-use of the authorisation.** The host country cannot apply CAs in the same calendar year in which the net GHG removal occurred.

Remedy Procedure

2.4.2 In the event of double-claiming, the following procedure must be applied:

2.4.2.1 **Notification.** Equitable Earth must notify the developer within 48 hours of confirming a double-claiming event.

2.4.2.2 **Remedy.** Upon receiving the notification, the developer must:

- 1) Sign a new LoA with the host country, ensuring that any subsequent units issued must not be double claimed.
- 2) Formulate and implement a compensation plan that must include:
 - a) The specific units identified to compensate for the host country's double claim of net GHG removals. These units must be CORSIA or Article 6 eligible Equitable Earth units, or comparable eligible units approved by Equitable Earth. These units must not have been sold, retired, or committed to another purpose.
 - b) A defined timeframe for retirement of the identified units, which must not exceed the maximum grace period of three years from the date of the double-claiming event.



Eligibility

- 2.4.3 Project eligibility for Article 6 or CORSIA must be revoked until the double-claimed event is investigated and resolved.
- 2.4.4 The project should re-obtain eligibility under Article 6 or CORSIA and issue units with the corresponding tag under two conditions:
 - 2.4.4.1 The developer and the host country signed a new LoA, ensuring that any subsequent units issued must not be double-counted.
 - 2.4.4.2 The double-counted units have been compensated, i.e., comparable units have been retired in an equivalent volume.

Shortages and Gaps in Units

- 2.4.5 If the developer has signed a new LoA but cannot supply the required units due to a shortage of eligible units, Equitable Earth can grant a three-year grace period to replace the double-claimed units. During this period, the project must regain its eligibility for Article 6 or CORSIA and can issue units with the corresponding tag.
- 2.4.6 If, after three years, the project does not supply the required units, the project's eligibility for Article 6 or CORSIA must be permanently removed.



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