



Social Carbon Guidelines

*Manual for the Development of Projects and
Certification of Social Carbon Credits
Version 03, May 2009*



Presentation

The Social Carbon™ is a national and internationally registered trademark, which aims to guarantee that the projects developed for greenhouse emission reductions contribute significantly to sustainable development, and add transparent and participatory methods of access and measurement of benefits reverted to stakeholders and the environment.

In order to reach a satisfactory monitoring standard, the Ecológica Institute developed the Social Carbon Methodology (SCM), a method which allows the assessment of social environment performance of projects concerning climate changes, through sustainability indicators.

The Social Carbon was quickly diffused, being applied to different realities, which includes from small projects of income generation for communities, to initiatives of large enterprises who participate in the international carbon credits market. This demonstrates the potential of use of SCM and also the importance of adopting flexibility as a basic guideline, seeking to always include the political and social context on its approaches.

A challenge, then, arises in our journey: to disseminate the Social Carbon to a world replete of social, cultural, economic and environmental diversities, without losing the own identity of the concept. Thus, this documents aims at:

- Presenting criteria for elaboration of carbon projects which wish to obtain certified Social Carbon credits.
- Defining procedures of elaboration and certification of projects which use the Social Carbon methodology.

The manual provides, therefore, a reference for technicians who are responsible for the elaboration of documents, and also for those responsible for the monitoring, assessment and certification by independent entities.

It is composed by 3 sections:

Section 1 Introduction, concepts and basic guidelines of the Social Carbon Methodology

- Social Carbon Concept



- Development of the Methodology
- Basic Guidelines
- Resources and Indicators of Sustainability
- Hexagon - Representation of the Social Carbon and its Resources

Section 2 Presents the organizations involved during all process of application of the Social Carbon Methodology and certification of the Social Carbon Credits

- Ecológica Institute
- Social Carbon Company
- Accredited Organizations for application of the Social Carbon Methodology
- Certifying Entities

Section 3 Presents the criteria for certification of Social Carbon Credits

- Eligible Projects
- Validation and Verification of the Project Design Document by a Third Party
- Application of the Methodology through an Accredited Organization
- Presentation of the Social Carbon Reports
- Sustainability Monitoring
- Continuous Improvements of the Performance of Project
- Validation and Verification of the Social Carbon Report by Certifying Entity

Section 4 Presents the procedures and orientations

- Eligibility, Validation and Verification of the Project
- Elaboration of Indicators Approved by the Social Carbon Team
- Compliance of the Report with Template and Guide for Completing the Social Carbon Report
- Periodic Monitoring of the Sustainability of Project
- Continuous Improvement of the Performance of Project
- Validation and Verification of the Social Carbon Report by Certifying Entity



Section 1- Introduction to the Concepts and Basic Guidelines of the Social Carbon Methodology

It presents the conceptualization of Social Carbon, development and guidelines of the methodology, as well as the resources and indicators of sustainability.

1.1 Social Carbon Concept

Social Carbon is all absorbed/reduced carbon, considering actions which benefit and improve the living conditions for communities involved in the emissions reduction / climate changes project, aimed at ensuring the welfare and citizenship, without degrading resources base.

1.2 Development of the Methodology

The Social Carbon concept was conceived by the Ecológica Institute during the five-year implementation of the Bananal Island Carbon Sequestration Project, started on 1998. Pioneering in the country, the development of the project ended up being transformed into a technology which unfolds itself in the construction of indicators for carbon projects, in the generation of knowledge, strengthening of social relations and also the implementation of environmentally sustainable income generation technologies to communities.

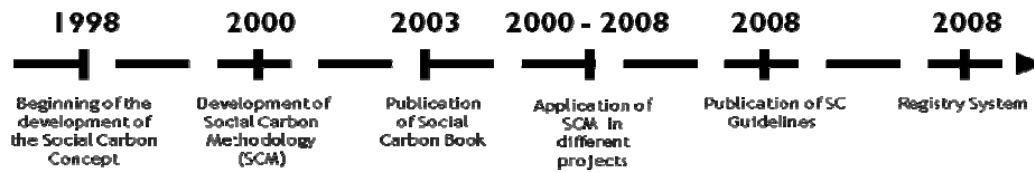
The Social Carbon approach has been improving since then, being used, monitored and assessed in a series of social environment projects in the last years.

Undertaken as a tool of sustainable development, it provided very positive experiences and results, leading to the interest of dissemination of knowledge and experience acquired.

Multiplying our experience does not mean to replicate it in the same form and content presented here. Social Carbon methodology must be in constant improvement, in order to be able to identify with the situation, space and people who might deal with the methodology. It is only a tool. Our proposal here is based on the idea of using it as a means to an end, been even able to be linked with other initiatives which aim at the same objective: developing with social gains, and preserving the environment.



We present below a flowchart of the historic of the Methodology over time.



1.3 Basic Guidelines

The Social Carbon Methodology:

- I. Is focused on the communities.
- II. Values the potential and resources of people.
- III. Is participative, holistic, dynamic and flexible.
- IV. Is concerned with the local and global relations.
- V. Is concerned with the analysis of the potential of biodiversity and ecosystems.
- VI. Is concerned with the solution of problems and in the search of the sustainability.
- VII. Seeks the social inclusion and recognize gender issues and other forms of social difference.
- VIII. Recognize the power relations and political context.

The Social Carbon concept has as basic structure the sustainable livelihood approach, in which “sustainable livelihood approach is a methodological system which works as a way of thinking about objectives, opportunities and priorities for reaching sustainable development, having as goal the elimination of poverty”.

The parameters of sustainable development considered on the Social Carbon methodology use the definition of “sustainable livelihood”, originally developed by Robert Chambers and Gordon Conway in the 90’s, and subsequently modified by Scoones:

“Livelihood consists on access to the capabilities, to assets (including both material and social resources) and activities required for a means of living. A livelihood is



sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets of the individual, both now and in the future, while not undermining the natural resource base.”

It is also Scoones who developed a working system to investigate the degree of sustainability of a livelihood, applicable at different scales including those of the individual, family, community, city, region and even country (Scoones, 1998). The author argues that the ability to attain different livelihoods depends on the possession of material and social goods, and he uses this to define five different types of goods, which had been denominated as “resources”: natural capital, economic or financial, human, social and physical. The Social Carbon considers four of the resources defined by Scoones, and added two new ones: biodiversity¹ and carbon, which will be described next.

The following items had been considered as elements of the methodology: resources, strategies, factors of threat and opportunities, political organizations and social relations. The perspectives inquire about the desires, demands and objectives of communities/organizations, searching to draw up sceneries of the present and future.

1. 4 Sustainability Resources

The Social Carbon methodology understands as most approachable sustainability resources: Human, Social, Natural, Biodiversity (or Technological), Financial and Carbon. However, we reaffirm that the resources varies according to each need observed. The sustainability resources are not isolated, they are interdependent among themselves and variable according to the necessities. An analysis of sustainability needs then, considers a group of resources which attend to main necessities from the people and from the environment.

Biodiversity Resource: It represents the combination of species, ecosystems and genes which form the biological diversity. Biodiversity Resource is the balance of the natural physical environment. The following aspects are relevant in this component: the integrity of natural communities, the way people use and interact with biodiversity, the state of conservation, pressures and threats imposed on native species, and the existence of overriding areas for conservation.

Technological Resource: It assesses the conditions of access to technological assets, including the innovation of equipments and processes focusing on their contribution to economic, social and environmental development.

Natural Resource: It is the stock of natural resources (soil, water, air, genetic resources) and environmental services (soil protection, maintenance of hydrological cycles, absorption of pollution, pest control, pollination, among others), from which those resources derive.

¹ The Biological Resource is substituted by the Technology for projects where the technological resources are considered as essential factor for sustainability.



Financial Resource: It is the basic capital in the form of cash, credit/debt and other economic goods which are available or potential to people. They are also the physical and technological structures which enable the financial giro.

Human Resource: They are the skills, knowledge and capacities for work and life which people possess, in addition to good health. Human Resource is the individual and all which he represents.

Social Resource: They are the working networks, the social demands, social relations, relationships of trust, and associations in social organizations. They are also the social apparatus, such as schools, hospitals, and community centres. Social Resource is the community and their organisms.

Carbon Resource: It refers to the type of carbon project developed, encompassing the methodologies utilized, project performance and the involvement of stakeholders.

1.5 Sustainability Indicators

The Social Carbon methodology uses indicators of sustainability, which identify the degree of use of resources, always beginning from the most precarious situation - unsustainable use - to the most ideal situation - sustainable use of resources.

This degree of indicators is important for identifying the satisfaction level of basic needs attended to communities with the use of resources. The number of indicators is variable according to the desire of those who apply the analysis. This set of indicators composes the scenario of use of resources.

1.5 Importance of the Hexagon - Representation of the Social Carbon and its Resources

To conceptualize the Social Carbon Methodology (SCM), a visual representation in the form of a hexagon was designed, based on the six Resources previously described, and which relays information about the goods which the communities/organizations possess. The hexagon is a representative figure of the use of resources, analyzed by the Social Carbon methodology, in which it assesses and monitors the performance of sustainability to community/organization over time.

The method of assessment of the degree of sustainability by sceneries will help the organizations and institutions who adopt the Social Carbon Methodology, to seek continuous improvement of processes involved in the assessed indicators. Thus, through the Social Carbon monitoring, the organization will be able to explicit the accomplished improvements related to the six Resources employed by the SCM.



With this tool, it is possible to identify capacities to be developed in the organization, as well as elaborating strategies for the management of productive process, included in the assessment proposed by the SCM.

Another differential of the hexagonal representation is its transparency for consumers, suppliers and stakeholders, who will be able to have access to the project performance through annual reports.

1. 5 Stages of the application of the Social Carbon Methodology

Although it is quite flexible in terms of scope of application, the use of the Social Carbon methodology includes the following stages:

- Conceptual understanding - generates a panorama of the scenario of climate change themes and sustainable development, through training for the accreditation of organizations.
- Selection and elaboration of indicators of the Social Carbon methodology.
- Elaboration of diagnosis - scenario of intervention area, through participative methods of information collection (interviews, questionnaires and meetings with stakeholders).
- Strategic aiming plan - Orientation in the formulation of policies associated to climate changes and sustainable development, from the analysis of the scenario, based on the stakeholders' point of view.
- The Monitoring is carried out through periodic application of the indicators of sustainability, in a participative and transparent form, and which permits a visualization of changes over time.



Section 2- Organizations Involved and their role

2.1 Ecológica Institute (EI)



Developer of the Social Carbon concept and methodology, and legal holder of the trademark for the term "Social Carbon", the Ecológica Institute (www.ecologica.org.br) was founded in 2000, being a Civil Society of Public Interest Organization (OSCIP). Its mission is acting on the reduction of effects of climate changes, through scientific research activities, conservation of the environment, and support to sustainable development of communities.

The Ecológica Institute:

1. Is the developer of the Social Carbon Methodology
2. Is the legal holder of the Social Carbon™ trademark and accredits the use of the brand
3. Applies and diffuses the Social Carbon Methodology
4. Accredits organizations for the application of the Social Carbon Methodology
5. Develops procedures and courses for the accreditation of organizations
6. Establishes criteria and procedures for the certification of the Social Carbon, in the ambit of Sustainable Products
7. Accredits Certifying Entities, in the ambit of Sustainable Products
8. Institutes and manages the Social Carbon Committees for Sustainable Products



2.2 Social Carbon Company (SCC)



The Social Carbon Company (www.socialcarbon.com) is result of the partnership between the CantorCO2e Brazil and Ecológica Institute, creator of the Social Carbon Methodology. The Social Carbon identifies and implements greenhouse gas emission reduction projects destined to the carbon market, in partnership with proponents of project activity, helping in the application of the Social Carbon Methodology and obtainment of the Social Carbon certification. The SCC possesses the right of use of the Social Carbon Methodology, acquired through specific contract with the Ecológica Institute.

The Social Carbon Company, in name of the Ecológica Institute, also administers the brand licensing process and the application of the Social Carbon™ Methodology by other institutions, in case of projects destined to the carbon market, reverting royalties to the EI for sustainability of ongoing programs.

The Social Carbon Company:

1. Develops and implements carbon credit projects
2. Possesses the right of use of the Social Carbon™ trademark, ceded by the Ecológica Institute
3. Applies and diffuses the Social Carbon Methodology, in the ambit of carbon credit
4. Establishes criteria and procedures for the accreditation of the Social Carbon, in the ambit of Carbon Credits
5. Accredits organizations for the application of the Social Carbon Methodology, in the ambit of carbon credit
6. Develops procedures and courses for the certification of organizations, in the ambit of carbon credit
7. Accredits Certifying Entities, in the ambit of carbon credits Stamp



8. Licenses the use of the Social Carbon™ brand by Accredited Organizations, in the ambit of carbon credit

2.3 Accredited Organizations for the application of the Social Carbon Methodology

The manuals and indicators of the Social Carbon Methodology are public documents which may be used by any organization as base for the actions plan and monitoring of projects.

Other organizations may be accredited for the application of the Social Carbon methodology through agreements of partnership sign with the Ecológica Institute or the Social Carbon Company.

However, if an organization wishes to use the term or logo Social Carbon™ in their projects and carbon credits, the application of the Methodology must be carried out by one of the Accredited Organizations.

The accredited organizations for the Social Carbon methodology have the function of disseminating the Social Carbon around the world, and they are qualified to:

- a. Elaborate new indicators: which this must have the approval by the Ecológica Institute or Social Carbon Company.
- b. Elaborate Social Carbon Reports in their own projects or projects by third parties.

Only the Ecológica Institute and the Social Carbon Company are qualified to prepare and accredited other organizations for the application of the Social Carbon Methodology.

The process of certification of organizations for the application of SCM is established by the Accreditation Procedures for Organizations, available at www.socialcarbon.org



2.3 Social Carbon Certifying Entities

The Social Carbon Company is carrying out the first experiences with national and international certifying entities to guarantee the establishment of a coherent standard, but which is also flexible of accreditation by 3rd party by independent entities.

The Certifying Entities must be accredited to certify emission reduction projects, based on the criteria and procedures from the Social Carbon Guidelines. The procedures for the certification are available at www.socialcarbon.org



Section 3- Criteria

This section presents the criteria which must be attended to the accreditation of carbon credits, such as Social Carbon™ VERs or CERs.

The manuals and indicators of the Social Carbon Methodology are public documents which may be used by any organization as base for actions plans and monitoring of projects.

3.1 Eligibility of the Project

The projects must present:

- The description of the Project Activity
- The baseline and monitoring methodology
- The demonstration of the Criteria of Additionality
- The Project Boundaries
- The Fugitive Emissions
- The Crediting Period

In compliance with the standards internationally recognized, also known as Standards.

Note: There is no restriction to the location of projects. Projects carried out in any country will be accepted.

Orientations:

Considering the evolution and consolidation of verification procedures of VERs/CERs developed by other organizations, the Social Carbon Guidelines permit a dynamic interaction with other existent Standards.

This means that rather than establish own criteria for validation and verification of the items mentioned above, the Social Carbon Guidelines define procedures or Standards which are accepted. For a list of the accepted Standards, please consult www.socialcarbon.org or contact the Social Carbon Team through info@socialcarbon.org

Other procedures of validation and verification may be accepted; however, they are subject to previous consultation to the Social Carbon Team.



It is important to emphasize that the Social Carbon Guidelines do not establish criteria, such as additionality and baseline and monitoring methodologies, but procedures for the monitoring of social and environmental impacts of project (co-benefits).

Note: There is no restriction to the location of projects. Projects carried out in any country will be accepted.

3.2 Validation and Verification of the Project Design Document by Third Party

The components presented in the previous item must be validated and verified by one of the Designated Operational Entities accredited by the CDM Executive Committee (DOEs), or an organization internationally recognized with experience in the accreditation of carbon projects, as long as:

- They are Certifying Entities of one of the Standards recognized by the Social Carbon
- They are Certifying Entities accredited by the Social Carbon Company.

3.3 Application of the Methodology through an Accredited Organization

The emission reductions will only be able to be certified by the Social Carbon™ when the application of the Social Carbon Methodology is carried out by an Accredited Organization.

Orientations:

The application of SCM begins with the selection of groups or people who will be involved in the collection of information. Subsequently, the first diagnosis is carried out, denominated as “Zero Point” assessment, which establishes an initial point for the comparison of future situation and contributions of the project to sustainable development.

The application of the Social Carbon Methodology must be done through:



- a) Working group: Participative meetings with representatives of the organization and/or community involved in the project. The meeting is coordinated by a responsible professional, who has the function of orientating the participants to discuss the content of the indicators.
- b) Interviews: Some key informants are interviewed in a semi-structured form, aiming at the indirectly obtainment of information about the six resources of the Methodology.
- c) Questionnaires: Questionnaires may be applied by responsible professionals to the community involved, and also to key informants of the organization, in order to collect information.

The responsible for carrying out the diagnosis may select a single method of application or combine them, in order to obtain better results on the survey of information, which will allow a better perception of the reality of project.

The results of the survey must be registered, compiled and assessed, according to indicators.

It is ideal that the Point Zero is carried out previously to the implementation of project or activity. However, the Social Carbon Methodology may be also applied to projects already ongoing, or in case where there is no possibility of the application a priori.

For projects already in operation, it is recommended that the diagnosis is carried out based on the current situation, avoiding retroactive assessments of scenarios in previous periods to the implementation of project. Observations about the historic and changes occurred in the past are important. However, many times, the information provided is inaccurate and results on a panorama (hexagon) with small reliability to work as comparative base.

3.4 Use of Indicators Approved by the Social Carbon Team

Indicators already approved are available at www.socialcarbon.org. In case your project activity presents specific characteristics which are not contemplated by the approved indicators, new indicators may be elaborated by Accredited Organizations, and must be submitted to approval by the Social Carbon Team.



Orientations:

Specific indicators must be elaborated according to the characteristics of the project or the community involved, ensuring a representative diagnosis of the found situation based on the guidelines and conceptual structure of the methodology.

The number of indicators varies according to the need and characteristics of project. However, the Social Carbon Methodology commonly adopts 06 possible scenarios for each indicator, always beginning from the most precarious situation (scenario) - unsustainable use - to the most sustainable situation of use of resources. Example:

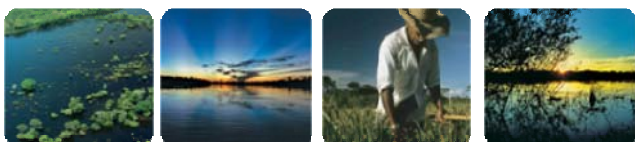
Indicator	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Associations	Absence of a formal community association.	There is a formal community association, but unstructured and with internal conflicts.	Existence of a formal association, controlled by directors interested in the strengthening of group.	Community organization controlled by leaders, and not only directors.	Leader of a formal association, controlled by interested leaders, and who are relatively experienced	Organization with internalization of community spirit. Controlled by prepared and experienced leaders.

It is essential that the Social Carbon diagnoses are holistic, and capable to demonstrate the objectives, perspectives and interventions to help people and organizations in search of sustainability over time. The indicators must, therefore, assess, besides the own project activity, other activities which are directly or indirectly related to the project (eg: health and safety of workers, relation with stakeholders, environmental impacts, among others).

For more orientations about elaborating new indicators, please consult the "Social Carbon Methodology: Multiplier´s Manual", Ecológica Institute, 2007.

3.5 Presentation of the Social Carbon Reports

The Social Carbon Reports must be elaborated in compliance with:



- The Social Carbon Report´s Template
- The Guide for Completing Social Carbon Reports

Both are available at www.socialcarbon.org

The Social Carbon Report is a registration of the application of SCM, and which contains a brief description of the project activity, identification of social economic and environmental impacts, and presentation of results obtained with the assessment of indicators.

The Social Carbon Report is the document which will be validated by a Certifying Entity. The report must be elaborated following a standard defined by the Social Carbon Team. The templates and guides help with the completion and formatting of the report, so they can be validated. These documents are available on its updated version at the web site: www.socialcarbon.org

3.6 Monitoring of the Sustainability

The sustainability of project must be periodically monitored, through the use of the Social Carbon Methodology.

Orientations:

The periodicity of the monitoring will depend on the project and on expectations of verification of emission reduction. An annual monitoring is recommended; however, longer periods might be accepted.

3.7 Continuous Improvement of the Project Performance

During the periodic verifications of the Social Carbon Report by Certifying Entity, the project:

- Must demonstrate perspectives of improvement and evidences that at least part of these perspectives is being developed.
- Will not be able to present decrease in the performance of the same resource 2 consecutive times.



The criteria of continuous improvement are only applied after the first commercialization of carbon credits.

Orientations:

Once the diagnosis is carried out, the delimitation of the main observed challenges and opportunities is recommended, and therefore, it will be possible to develop an action plan with the establishment of objectives.

To carry out the proposed activities, it is recommended to delineate aims in function of quantity, quality and time; and which attend to defined objectives.

In case the project does not demonstrate the improvement of performance expected, the project proponent will receive a notification and deadline for adequacy. In case the notification is not complied, the project will lose the Social Carbon accreditation.

The Social Carbon does not establish absolute requirements for the performance of indicators, but the commitment of the project proponent to continuously improve the social environment performance. Thus, two organizations which develop similar activities, but have different levels of social environment performance, might both be in compliance with the requirements.

3.8 Validation and Verification of the Social Carbon Report by Certifying Entity

The accreditation of the Social Carbon Credits will be carried out through periodic validation and verification of the Social Carbon Reports, which must be done by a Certifying Entity accredited, according to the process available at www.socialcarbon.org

The validation and verification must:

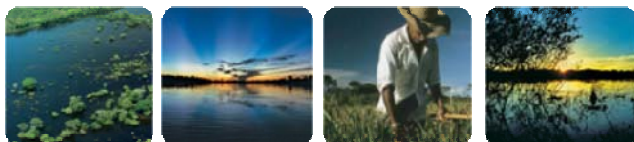
- Be based on the assessment of compliance with the Social Carbon Guidelines criteria.
- Include a local visit for the collection of information and evidences.
- Have as result the Social Carbon Validation or Verification Report.



Criteria	Minimum required	Complementary references and information	Documentation to be submitted
Eligibility of the Project	The project must present the activity description; baseline and monitoring methodology; additionality; boundaries and fugitive emissions; and crediting period, in compliance with one of the carbon Standards recognized by Social Carbon.	List of the Standards accepted is available at www.socialcarbon.org	Project Design Document or equivalent.
Validation and verification of the emission reductions	The information of the Project Design Document must be validated and verified by an independent third party, based on the Standards criteria accepted by the Social Carbon.	-	Project Design Document or equivalent, and additional documentation required by the Certifying Entity.
Compliance with the environmental and working legislation	Documents which assure the legal compliance with the applicable environmental and working legislation must be presented.	-	Environmental Licenses, Authorization for the Exploitation of Natural Resources, Workers Registration, among others.
Description of the social and environmental impacts	<p>The participants of the project must provide a brief description about the potential positive and negative social, economic and environmental impacts, which will serve as reference to the assessment of compliance with selected indicators.</p> <p>If required by the national competent authorities, documents about the analysis of the environmental impacts and mitigation programs must be presented.</p> <p>Measurable impacts, or those which tend to vary according to the development of project, must be considered in the Social Carbon indicators.</p>	<p>The description of the contribution of project to sustainable development does not demand new researches, but must be based on other existent sources of information, as for example: reports, results of consultation with stakeholders, similar projects or opinions of experts.</p> <p>In case the information are insufficient or controversy concerning the impacts of the project, the Social Carbon Team or Certifying Entity may ask for complementary studies.</p>	<p>General description about the social and environmental impacts of the project must be in the Social Carbon Report.</p> <p>EIA/EIR or equivalent, when applicable.</p>
Application of the Methodology through an Accredited Organization	The carbon credits will only be able to be accredited as Social Carbon™ when the application of the Social Carbon methodology is done through an Accredited Organization.	Procedures for the certification of Organizations and a list of accredited organizations are available at www.socialcarbon.org	<p>Description of the responsible for the application of SCM in the Social Carbon Report.</p> <p>Presentation of the certificate of the</p>



			organization accreditation.
Use of indicators approved by the Social Carbon Team	<p>The responsible organization must select the applicable indicators of the Social Carbon Methodology on its scope of activity. The indicators must assess in a holistic form, considering the main social, environmental and economic impacts.</p> <p>New indicators may be elaborated by Accredited Organizations and must be submitted to approval by the Social Carbon Team.</p>	<p>Approved indicators are available at www.socialcarbon.org</p> <p>For elaboration of new indicators, please consult: Social Carbon Methodology: The Multiplier´s Manual. Ecological Institute, 2007. Available in Portuguese only.</p>	Presentation of selected indicators.
Presentation of the Social Carbon Report	Reports must be elaborated in compliance with the Social Carbon Template and Guide for Completing Social Carbon Reports.	Template and guide available at: www.socialcarbon.org	Social Carbon Report
Monitoring	<p>Periodic verifications must be carried out using the Social Carbon Methodology, for assessment of the contribution of project to sustainable development, considering the Zero Point as baseline.</p> <p>A new report must be present for each verification. Annual reports are recommended, although other periods might be accepted, according to the periods of verification of emission reductions.</p>	Model for the Social Carbon Reports.	Periodic SCM monitoring reports.
Continuous improvement of the Project performance	<p>During the periodic verifications of the Social Carbon Report by Certifying Entity, the project:</p> <p>§ Must demonstrate perspectives of improvement and evidences that at least part of these perspectives is being developed.</p> <p>§ Must not present decrease in the performance of the same resource 2 consecutive times.</p> <p>The criteria of continuous improvement are only applied after the first commercialization of carbon credits.</p>	<p>The Social Carbon does not establish absolute requirements to the performance of indicators, but the commitment to continuously improve the social environment performance of enterprise.</p> <p>Thus, two organizations which develop similar activities, but have different levels of performance, might both be in compliance with their criteria.</p>	<ul style="list-style-type: none"> - Social Carbon Zero Point Report. - Periodic Social Carbon monitoring reports. - Evidences, when applicable to improvements obtained.
Validation and verification of the Social Carbon Report	The accreditation of the Social Carbon Credits is carried out through periodic validation and verification of the Social Carbon Reports, which must be done by an accredited Certifying Entity, according to the process available at www.socialcarbon.org	-	Social Carbon Validation or Verification Report.



Section 4- Procedures and Orientations

This section defines the stages which must be carried out, and also orientations during all the project cycle for accreditation, by the Social Carbon.

Project Cycle - Social Carbon	Conventional VERs/CERs Project Cycle
Previous analysis by the Social Carbon Team	Selection of the Standard for accreditation of emission reductions
<p>If you wish to certify your credits as Social Carbon™, please send an e-mail for a prior assessment to: info@socialcarbon.org, informing:</p> <p>1 - Project name:</p> <p>2 - Location:</p> <p>3 - Type of project activity:</p> <p>4 - a PDD or equivalent has been/will be elaborated for the project? ()Yes ()No</p> <p>5 - A PDD or equivalent complies with some standard internationally recognized? ()Yes ()No. Specify which:_____</p> <p>6 - The project will be/has been validated or verified by some recognized Standard? ()Yes ()No. Specify which:_____</p> <p>7 - List some of the potential social or environmental benefits of the project:</p>	<p>For the issue of verified emission reductions, the project must be elaborated complying with the standards, known as Carbon Standards.</p> <p>As the Social Carbon Guidelines do not establish specific criteria for aspects related to the effectiveness of reductions (additionality, baseline and monitoring methodology, etc.), the developer must select a standard internationally recognized, and susceptible to auditing by independent third party.</p> <p>Examples of Carbon Standards:</p> <ul style="list-style-type: none"> - CDM - Clean Development Mechanims (Kyoto Protocol) - VCS - Voluntary Carbon Standard (International Emissions Trading Association) <p>A list of the Standards recognized by the Social Carbon™ is available at the web site www.socialcarbon.org</p> <p>However, other accreditation procedures might be accepted, as long as with prior approval by the</p>



	Social Carbon Team. To consult about the eligibility of other Standards, please contact info@socialcarbon.org
Selection of an Accredited Organization	Selection of a consulting company for elaboration of the PDD
<p>To ensure the quality of the Social Carbon assessments, the application of the Methodology must be done through an Accredited Organization.</p> <p>The proponent of the project may:</p> <ul style="list-style-type: none"> • Contract one of the Accredited Organizations; or • Participate in the certification process, which consists, in short, the carrying out of training and application of the Methodology in a pilot project under the supervision of the Social Carbon Team. 	Elaboration of emission reduction projects demands specialized technical knowledge. It is common that consulting companies are hired for elaborating the projects and also giving assistance during the phases of validation, verification or registration.
Selection and elaboration of Social Carbon indicators for the Project	Selection of baseline and monitoring methodologies, and demonstration tools of additionality
<p>The Accredited Organization responsible for the application of the Methodology will select the indicators applicable to the project for monitoring its contribution to sustainable development or elaboration of new indicators.</p> <p>In case of elaboration of new indicators, these must be submitted to approval by the Social Carbon Team, who publishes them at the web site: www.socialcarbon.org after approval.</p>	Must comply with the criteria of the selected Standard.



Initial Social Carbon Diagnosis - Zero Point	Survey of information for the elaboration of the PDD
<p>The Accredited Organization will collect the necessary information for assessment of each of the indicators established to the project. It may be done by:</p> <ul style="list-style-type: none"> - Participative meetings; - Semi-structured interviews; - Questionnaires. <p>The participation of the proponent of project and stakeholders involved are essential.</p> <p>Evidences, such as documents and photographic records, must be gathered for future validation and verification, whenever possible.</p> <p>The initial diagnosis will work as comparative base to the contributions from next periods.</p>	Collection of data and evidences for demonstration of baseline and estimation of emission reductions.
Social Carbon Report (SCR)	Project Design Document (PDD)
<p>The information obtained are organized in the form of Social Carbon Report, complying with orientations of the template and guide for completing, available at: www.socialcarbon.org</p> <p>Indexes are attributed to each of the indicators, and represented in hexagonal form for graphic representation.</p>	Elaboration of PDD, according to template and orientations from the selected Standard.
Validation by a Certifying Entity	Validation by a Certifying Entity
<p>Independent auditing by a third party, based on the Social Carbon Report.</p> <p>The procedures of validation of SCR</p>	Independent auditing by a third party, based on PDD and criteria from the selected Standard.



and PDD may be combined or done separately, according to availability and capability of the auditor technical team.	
Periodic monitoring	Periodic monitoring
Periodic carrying out of diagnosis and Monitoring Social Carbon Reports. From the first commercialization of the Social Carbon™ credits, the Reports must demonstrate perspectives of improvement of performance and its compliance.	Elaboration of reports based on defined PDD's monitoring methodology.
Verification by a Certifying Entity	Verification by a Certifying Entity
Independent auditing by a third party, based on the Social Carbon Report. The procedures of verification of SCR and PDD may be combined or done separately, according to availability and capability of the auditor technical team.	Independent auditing by a third party, based on PDD and criterias of the selected Standard.
Issue of Social Carbon™ credits	Issuance of verified emission reductions
The VERs issued shall be Social Carbon™ Credits after the verification of the Social Carbon Report concerning considered period.	The verified emission reductions or VERs are issued based on verification.

Note: The Social Carbon Methodology might be applied to different phases of the project activities cycle. The main objective of the Social Carbon is providing an efficient tool to assess the social and environmental benefits generated by projects involving climate changes, and add value to sustainable development, regardless of the stage in which the project is at.

Projects which are at an advanced stage with credits already issued, may apply the Social Carbon Methodology, but the credits will only be susceptible to accreditation



with the Social Carbon™, starting from the date of completion of the initial diagnosis (Point Zero).



ANNEX 1 - Definitions

Social Carbon: is the absorbed or reduced carbon, considering actions which benefits and improve the living conditions of the communities involved in the projects, aimed at guaranteeing the welfare and citizenship, without degrading resource base.

Community: organized groups of people involved in the execution of project, or directly and indirectly affected by the project.

Social Carbon Diagnosis: Process of collection of information for assessment, through Social Carbon indicators.

Enterprise: Set all the activities, physical installations and resources (human, financial, natural) within the boundaries of project.

Certifying Entity: independent organization which has the function of validating and verifying the project, based on criteria and procedures of the Social Carbon Guidelines.

Social Carbon Team: Team formed by members from the Ecologica Institute and partner organizations responsible for evaluating and approving new project baselines and monitoring methodologies; new indicators of the Social Carbon Methodology; and issuing final approval about the compliance of projects submitted to registration in the Social Carbon Registry.

Voluntary Carbon market: Commercialization system of emission reductions by individuals, companies and organisms, who are not covered by the Kyoto Protocol's norms or other compulsory systems of emissions reduction.

Social Carbon Methodology (SCM): Methodology based on the Social Carbon concept, aimed at guaranteeing a transparent way of measurement and assessment of the extent of social and environmental gains of project for climate changes mitigation, through establishment and monitoring of the indicators of sustainability.

Accredited Organization: Organization qualified to perform elaboration of indicators, application of the Social Carbon Methodology and elaborating Social Carbon Reports. The accreditation of organizations involves training of professionals through specific course, ministered by the Institute, to application of the Social Carbon Methodology. The proponent of the project may ask to an Organization, the application of the methodology and also orientation for its application. A list of the Organizations is available at www.socialcarbon.org

Social Carbon Report: Structured documents which present results of the application of the Social Carbon Methodology for assessment and monitoring of the enterprise/community.

Point Zero: Structured document which presents results of the first application of the Social Carbon Methodology for assessment and monitoring of the enterprise or community. The function of the Point Zero is establishing a baseline for monitoring of the contribution of project to local sustainable development.



Organization of the document

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