



# Standard

V6.2

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# About

Developed in 2005 in Tocantins, Brazil the SOCIALCARBON Standard was created by Ecologica Institute, a Civil Society Organisation of Public Interest (OSCIP). The SOCIALCARBON Standard was designed during the implementation of Brazil’s first carbon sequestration project in the Bananal Island, with the differential of ensuring community involvement in the initiative. Since 2022, SOCIALCARBON has been managed by the Social Carbon Foundation, a UK Charitable organisation with the mission to act in mitigating the effects of climate change through scientific research, environmental conservation, and community-based sustainability activities.

Since 2022, the SOCIALCARBON Standard has transitioned from a co-benefit standard to a full standard for nature-based solutions. We believe that climate action and nature-based solutions must include the participation of the local people, or they will not be sustainable in the long-term. The transition of the SOCIALCARBON Standard into a full standard for nature-based solutions further supports our mission of scaling local action against biodiversity loss and climate change, but on a global scale. To enable this vision to become a reality, the Social Carbon Foundation develops high quality standards to facilitate market-driven mechanisms that accelerate the development of projects which deliver real results for our communities and the planet.

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# 1. Introduction

The SOCIALCARBON Standard is a global standard for GHG emission reduction and removal projects. The three principal documents of the Standard are the SOCIALCARBON Standard Guide, the SOCIALCARBON Standard, and the SOCIALCARBON Methodology Requirements. The SOCIALCARBON Standard Guide describes the rules and requirements governing the SOCIALCARBON Standard and further describes core components parts of the Standard such as the project registration process, the SOCIALCARBON registry system, the methodology approval process and the accreditation requirements for validation/verification bodies. The SOCIALCARBON Standard provides the requirements for developing projects, as well as the requirements for validation, monitoring and verification of projects and GHG emission reductions and removals. The SOCIALCARBON Methodology Requirements provides the rules and requirements for developing new SOCIALCARBON methodologies. The SOCIALCARBON Standard Guide should be read before using the SOCIALCARBON Standard or the SOCIALCARBON Methodology Requirements.

## 1.1 Version

All information about version control under the SOCIALCARBON Standard is contained in the SOCIALCARBON Standard Guide.

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document. Where external documents are referenced, such as the IPCC 2006 Guidelines for National GHG Inventories, and such documents are updated, the most recent version of the document shall be used.

Previous versions of the SOCIALCARBON Standard may have included different rules and requirements than those set out in this version. Previous versions of the SOCIALCARBON Standard and other SOCIALCARBON Standard documents are archived and available on the SOCIALCARBON website ([www.socialcarbon.org](http://www.socialcarbon.org)).

## 1.2 Language

The operating language of the SOCIALCARBON Standard is English. The project description, validation report, monitoring report, verification report and all other documentation

(including all and any appendices) required under the SOCIALCARBON Standard shall be in English.

## 2. SOCIALCARBON Standard requirements

### 2.1 Scope of the SOCIALCARBON Standard

The scope of the SOCIALCARBON Standard includes:

1. The six Kyoto Protocol greenhouse gases.
2. Project activities utilising a methodology approved under the SOCIALCARBON Standard through the methodology approval process.
3. Project activities supported by a methodology approved under a SOCIALCARBON approved GHG program, unless explicitly excluded under the terms of SOCIALCARBON approval.

### 2.2 Excluded projects

The scope of the SOCIALCARBON Standard is limited to Nature-Based Solutions. Only projects that meet the methodologies approved under the SOCIALCARBON Standard are eligible. These methodologies can be found on the SOCIALCARBON website ([www.socialcarbon.org/methodologies](http://www.socialcarbon.org/methodologies)). In the case of methodologies that have a focus on energy efficiency, project eligibility is limited to host countries or in-country regions with a Human Development Index value of less than 0.70 (from at least 2 years prior to the project start date).

### 2.3 GHG-Information Principles

The following principles are designed to uphold the integrity of GHG-related information of projects utilising the SOCIALCARBON Standard, ensuring information is true and fair.

1. **Relevance** – Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies appropriate to the needs of the intended user.



2. **Completeness** – Include all relevant GHG emissions and removals. Include all relevant information to support criteria and procedures.
3. **Consistency** – Enable meaningful comparisons in GHG-related information.
4. **Accuracy** – Reduce bias and uncertainties as far as is practical.
5. **Transparency** – Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence.
6. **Conservativeness** – Use conservative assumptions, values and procedures to ensure that net GHG emission reductions or removals are not overestimated.

## 2.4 Safeguards

Projects shall conduct a Safeguarding Assessment and conform to the SOCIALCARBON Safeguarding Requirements. This assessment is included the Project Description Document and the Monitoring report and will demonstrate the following:

1. The relevance of the different safeguarding requirements to the Project; and
2. How all relevant safeguarding requirements are met.

## 2.5 SOCIALCARBON Sustainability Indicators

SOCIALCARBON indicators should be outlined and used to detail the benefits and impacts generated by a carbon offset project encompassing the six resources of the methodology: Social, Human, Financial, Natural, Biodiversity and Carbon.

These indicators receive scores ranging from the worst scenario (level 1) to the ideal situation (sustainable use of resource – level 6).

### **Schematic representation of the gradient of SOCIALCARBON Indicators Human Resources – Capacity building**

Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
No capacity building programs, in	Results from capacity building programs are	Results from capacity building programs are	Results from capacity building programs are	Results from capacity building programs are	Results from capacity building programs are



the last 12 months.	not evident or measurable.	evident, but not measurable.	evident and measurable, but the benefit is limited (e.g. few people, small changes, etc.).	evident, measurable, and satisfactory (e.g. reasonable amount of people involved, significant changes, etc.)	evident, measurable and benefits lot of people with significant impact on their lives.
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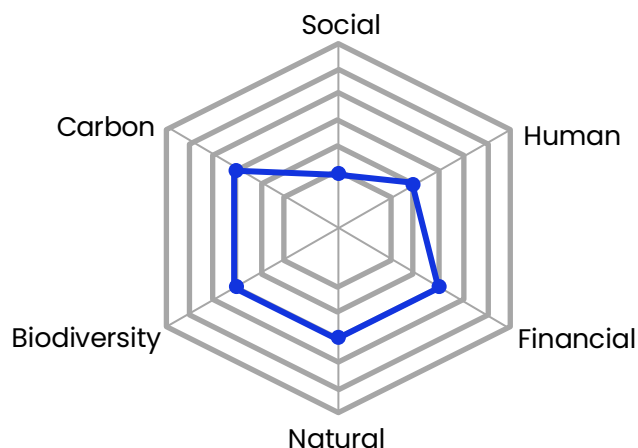
Most of the data used to score the indicators is collected through participatory methods, including:

- Interviews
- Questionnaires
- Meetings with stakeholders.

The average score of the indicators from each resource is obtained from a simple average, as indicated below, and is plotted on the respective section of the hexagon:

$$\sum_{i=1}^n \frac{x_i}{n}$$

The centre of the hexagon represents zero access to resource assets, while the external border represents maximum access. The resource hexagon illustrated below is a useful tool to identify the current situation of a given project and to help project developers make choices and define goals for improvement.



## 2.6 Timing of Crediting

- 2.6.1** SCUs shall not be issued under the SOCIALCARBON Standard for GHG emission reductions or removals that have not been verified.
- 2.6.2** Project activities are eligible for immediate crediting of future avoided emissions under the conditions set out below, which shall be addressed at the level of the methodology:
- 1) The project immediately avoids future streams of GHG emissions because of an upfront intervention that permanently precludes further emissions from the source. SCUs shall be issued only after such an intervention has occurred and the GHG emission reductions have been verified.
  - 2) The mechanisms responsible for producing GHG emissions in the absence of an intervention are comprehensible documented, consistent and quantifiable. Models employed to replicate these mechanisms must adhere to the specifications outlined in the SOCIALCARBON Standard document “SOCIALCARBON Methodology Requirements”. Additionally, any default factors associated with input parameters must conform to the criteria specified in the SOCIALCARBON Standard document “SOCIALCARBON Methodology Requirements”.
  - 3) SCUs may be issued only for GHG emissions avoided over a seven or ten-year period (depending on the project type), even if these GHG emissions were anticipated to persist over a longer timeframe in the baseline scenario. See section 3.7 for more details on project crediting periods.

## 2.7 AFOLU Non-Permanence Risk and Buffer Credits

Non-permanence risk in Agriculture, Forestry, and Other Land Use (AFOLU) projects is managed through a project risk assessment, employing the AFOLU Non-Permanence Risk Tool, which calculates the deduction of a certain quantity of credits from the eligible issuance.

At SCU issuance, buffer credits shall be deducted from the total number of carbon credits eligible for a project within a verification period. These buffer credits will never be issued and will never be eligible for cancellation or release back to project proponents. This is to ensure the long term permanence of the project results.

Project risk assessments will undergo regular examination conducted by the SOCIALCARBON team. This evaluation involves a scrutiny of a subset of AFOLU project

risk reports to identify any irregularities in the utilization of the AFOLU Non-Permanence Risk Tool, which will then be assessed by validation/verification entities. Adjustments may be made to the criteria and risk ratings established within the tool to maintain consistent and precise application. It's important to note that any modifications to the tool will not be applied retroactively, meaning they will only affect future non-permanence risk assessments.

## 2.8 AFOLU Leakage Assessments

Assessments of project market leakage will undergo periodic evaluations carried out by the SOCIALCARBON team. This review process encompasses the examination of a selection of AFOLU projects' leakage assessments to detect any disparities in the implementation of leakage criteria outlined in Sections 3.13.1–3.13.9 and the SOCIALCARBON Standard document “SOCIALCARBON Methodology Requirements”. Validation/verification bodies will also assess these assessments. The leakage criteria detailed in the “SOCIALCARBON Methodology Requirements” may be refined to ensure uniform and precise application. It is important to note that any modifications to the leakage criteria will not be applied retrospectively, meaning they will only impact future leakage assessments.

# 3. Project requirements

This section outlines the rules and requirements for projects adhering to the SOCIALCARBON Standard. Given that AFOLU project types may encounter distinct circumstances during project execution, monitoring, and other aspects, specific requirements for AFOLU are elaborated upon within this section to ensure their proper consideration.

To successfully attain SOCIALCARBON Standard certification, projects must illustrate their compliance with the rules and requirements provided below. Additionally, projects must exhibit the comprehensive implementation of an eligible methodology. The validation and verification processes, detailed in Section 3, serve as the means by which projects showcase their adherence to the SOCIALCARBON Standard rules and the applied methodology. Once these processes are successfully completed, projects become eligible to request registration and the issuance of Social Carbon Units (SCUs). It's important to note that the complete procedure for requesting

project registration and SCU issuance is described in the SOCIALCARBON Standard document titled "*Registration and Issuance Process*."

## 3.1 General Requirements

- 3.1.1** Projects shall meet all applicable rules and requirements set out under the SOCIALCARBON Standard, including this document.
- 3.1.2** Projects shall be guided by the principles set out in Section 2.3.
- 3.1.3** Projects shall apply methodologies eligible under the SOCIALCARBON Standard. Methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology. The list of methodologies and their validity periods is available on the SOCIALCARBON website.
- 3.1.4** Projects and the execution of project activities must not result in the infringement of any relevant legislation, irrespective of whether such laws are enforced or not.
- 3.1.5** When projects utilize methodologies that allow project proponents to select their own model (as defined in the SOCIALCARBON Standard document '*Definitions*'), that chosen model must comply with the criteria specified in the SOCIALCARBON Standard document "*SOCIALCARBON Methodology Requirements*" and the respective GHG methodology used. Additionally, it must be shown during validation that the selected model is suitable for the specific project conditions, ensuring that its use results in an accurate quantification of greenhouse gas emission reductions or removals.
- 3.1.6** When projects employ methodologies that allow the project proponent to choose their own third-party default factor or standard for gathering greenhouse gas emission data and any accompanying data to establish baseline scenarios and demonstrate additionality, the selected default factor or standard must align with the criteria outlined in the SOCIALCARBON Standard document "*SOCIALCARBON Methodology Requirements*".

- 3.1.7** Where the rules and requirements under an approved GHG program conflict with the rules and requirements of the SOCIALCARBON Standard, the rules and requirements of the SOCIALCARBON Standard shall take precedence.
- 3.1.8** When projects utilize methodologies from approved GHG programs, they must adhere to any specified capacity limits (as defined in the SOCIALCARBON Standard document *Definitions*) and any other relevant requirements concerning the utilization of the methodology and/or tools referenced under those programs.
- 3.1.9** If SOCIALCARBON introduces new project requirements, projects that are already registered are not obliged to conform to these new requirements for the duration of their project crediting periods. In other words, these projects maintain their eligibility to issue SCUs for the remainder of their project crediting periods without undergoing revalidation according to the updated requirements. The new requirements must be adhered to when renewing the project crediting period, as specified in Section 3.7.7. The Social Carbon Foundation retains the authority to establish distinct grace periods for the adoption of new requirements if it deems that a project should comply with them before the conclusion of their crediting period.

## 3.2 AFOLU-Specific Requirements

- 3.2.1** There are currently three AFOLU project categories eligible under the SOCIALCARBON Standard, as defined in Appendix 1 Eligible AFOLU Project Categories below: afforestation, reforestation and revegetation (ARR), agricultural land management (ALM) and wetland restoration and conservation (WRC). Further specifications regarding eligible activities which may be included within methodologies approved under the SOCIALCARBON Standard can be found in the SOCIALCARBON Standard document *“SOCIALCARBON Methodology Requirements”*.
- 3.2.2** Where projects are located within a jurisdiction covered by a jurisdictional REDD+ program, project proponents shall follow the requirements in this document and the requirements related to nested projects set out in the SOCIALCARBON Standard document *Jurisdictional and Nested REDD+ Requirements*, where relevant.



- 3.2.3** If an implementation partner collaborates with the project proponent, the project description must clearly specify the implementation partner. The implementation partner is required to outline its duties and obligations related to the project, which encompass but are not limited to project execution, management, and monitoring throughout the project crediting period.
- 3.2.4** The SOCIALCARBON Standard does not permit activities that transform natural ecosystems into GHG credits. The project description must furnish evidence that any AFOLU project areas were not intentionally cleared of native ecosystems for the purpose of generating GHG credits. Proof may include documentation of natural disasters such as hurricanes or floods leading to the clearing. Such proof is not required where such clearing or conversion took place at least 20 years prior to the proposed project start date. It is the responsibility of the project proponent to substantiate this, and a failure to do so will render the project ineligible.
- 3.2.5** Activities that drain natural ecosystems or degrade their hydrological functions for the purpose of obtaining GHG credits do not meet the eligibility criteria of the SOCIALCARBON Standard. The project description must include evidence indicating that no drainage or conversion of AFOLU project areas was conducted to generate GHG credits. This evidence is not obligatory if the draining or conversion occurred before January 3, 2020. It is the responsibility of the project proponent to establish this, and the project will be considered ineligible if this requirement is not met.
- 3.2.6** The project proponent shall demonstrate that project activities that lead to the intended GHG benefit have been implemented during each verification period in accordance with the project design. Where no new project activities have been implemented during a verification period, project proponents shall demonstrate that previously implemented project activities continued to be implemented during the verification period.
- 3.2.7** For all AFOLU project types, the project proponent must re-evaluate the baseline every 10 years throughout the project's duration and obtain validation for this reassessment concurrently with the subsequent verification. Projections for baselines involving deforestation, degradation, land conversion, forest management plans, and changes in wetland hydrology that extend beyond a 10-year period are typically not feasible due to the numerous unpredictable factors affecting land-use and water or land



management practices over an extended timeframe. This underscores the necessity for periodic baseline reassessment. The following conditions shall be applicable concerning the baseline reassessment:

- 1) The reassessment will capture changes in the drivers and/or behaviour of agents that cause the change in land use, hydrology, sediment supply and/or land or water management practices and changes in carbon stocks, all of which shall then be incorporated into revised estimates of the rates and patterns of land-use change and estimates of baseline emissions.
- 2) The latest approved version of the methodology or its replacement shall be applied at the time of baseline reassessment.
- 3) The project description shall be updated at the time of baseline reassessment following the requirements set out in Section 3.7.7.
- 4) Ex-ante baseline projections beyond a 10-year period are not required.

The following shall apply with respect to ALM baseline reassessment:

- 5) For projects that establish their baseline by utilizing historical management data specific to the project area during validation, the historical baseline must be compared with publicly available data regarding the prevalent practices currently adopted in the project region. If a substantial variance exists between the historical baseline and the contemporary common practices, the project baseline should be modified to align with the prevailing practices in the project region during each baseline reassessment occurrence.
- 6) For projects that set their baseline using regional data on common practice (i.e., data not specific to the project lands), the baseline shall be updated to reflect current practices at each baseline reassessment event using similar datasets (e.g., agricultural census data) as those used to establish the baseline at validation.

**3.2.8** When AFOLU project activities take place in wetlands, the project must comply with the specific requirements for the project category as well as the Wetland Restoration and Conservation (WRC) requirements. This is unless the anticipated emissions from the soil organic carbon pool or the alteration in the soil organic carbon pool in the project scenario is determined to be negligible or can be reasonably excluded in accordance with the guidance provided in the SOCIALCARBON Standard document “SOCIALCARBON



*Methodology Requirements*”. In such cases, the project will be exempt from the WRC requirements.

## Non-Permanence Risk

- 3.2.9** AFOLU Projects are required to create a non-permanence risk report following the guidelines laid out in the SOCIALCARBON Standard document *AFOLU Non-Permanence Risk Tool* during both validation and verification. In situations where projects are not undergoing validation and verification simultaneously, validating their initial risk assessments when SOCIALCARBON project validation occurs will offer SCU buyers and sellers a more accurate early estimate of the projected SCUs generated by the projects. The non-permanence risk report should be generated using the *SOCIALCARBON Non-Permanence Risk Report Template*, which can be included as an appendix to the project description or monitoring report, as applicable, or provided as a standalone document.
- 3.2.10** Projects with tree harvesting shall demonstrate that the permanence of their carbon stock is maintained and shall put in place management systems to ensure the carbon against which SCUs are issued is not lost during a final cut with no subsequent replanting or regeneration.
- 3.2.11** WRC projects shall demonstrate that the permanence of their soil carbon stock will be maintained. The maximum quantity of GHG emission reductions that may be sought by the project is limited to the difference between project and baseline scenario after a 100-year time frame, as further described in the SOCIALCARBON Standard document *SOCIALCARBON Methodology Requirements*.
- 3.2.12** At SCU issuance, buffer credits shall be deducted from the total number of carbon credits eligible for a project within a verification period. These buffer credits will never be issued and will never be eligible for cancellation or release back to project proponents. This is to ensure the long term permanence of the project results. The full rules and procedures with respect to buffer credits are set out in the SOCIALCARBON Standard document *Registration and Issuance Process*.

- 3.2.13** Projects shall perform the non-permanence risk analysis at every verification event because the non-permanence risk rating may change.
- 3.2.14** Analysis of non-permanence risk assessments can be carried out by the same validation/verification body responsible for the project's validation or verification. This analysis can occur concurrently with the project's validation or verification, as appropriate. The guidelines and criteria for the assessment process conducted by validation/verification bodies are detailed in Section 4 below.
- 3.2.15** When an instance leaves a grouped project or non-grouped project with multiple activity instances before the end of its crediting period, the project shall:
- a. Conservatively assume a loss of all previously verified emission reductions and removals associated with the instance; or
  - b. Continue to monitor the instance for the remainder of the Grouped Project's lifespan following the monitoring requirements of the applied SOCIALCARBON methodology. If it can be shown that adhering to the monitoring requirements of the SOCIALCARBON methodology is not feasible (for instance, due to the inability to access the project area), an effective remote sensing method for the respective project types may be employed to identify loss events, subject to approval by the Social Carbon Foundation. In the event that a loss is detected, the magnitude of the loss must be quantified in accordance with the methodology in use. In cases where quantification is not achievable, the project should conservatively assume a loss of all previously validated emission reductions and removals related to the particular occurrence.
- 3.2.16** In the event of an occurrence that is expected to meet the criteria for a loss event (please refer to SOCIALCARBON Standard document '*Definitions*' for the definition of loss event), the entity responsible for the project should inform SOCIALCARBON within 30 days of identifying the potential loss event. In situations where Social Carbon Units (SCUs) have been previously issued, a report on the loss event must be formulated and submitted to the SOCIALCARBON registry in the following manner:
- 1) The loss event report shall be prepared using the *SOCIALCARBON Loss Event Report Template*. It shall include a conservative estimate of the loss of previously verified emission reductions and removals due to losses in

carbon stocks from the project, based on monitoring of the full area affected by the loss event.

- 2) The loss event report shall be accompanied by an event representation signed by the project proponent and representing that the loss estimate is true and accurate in all material respects. The template for the loss event representation is available on the SOCIALCARBON website.
- 3) The loss event report shall be submitted to the SOCIALCARBON registry within two years of the date of discovery of the loss event. Where a loss event report is not submitted within two years of the date of discovery of the loss event, the project shall no longer be eligible to issue SCUs.

**3.2.17** At the verification event subsequent to the loss event, the monitoring report shall restate the loss from the loss event and calculate the net GHG benefit for the monitoring period in accordance with the requirements set out in the methodology applied.

**3.2.18** At a verification event, where a reversal has occurred, the following applies:

- 1) Where the reversal is a catastrophic reversal (see the SOCIALCARBON Standard document '*Definitions*' for the definition of catastrophic reversal), the following applies:
  - 2) The same geographic boundary shall be maintained. The entire project area, including areas degraded or disturbed by the catastrophic event, shall continue to be a part of project monitoring. GHG credits may not be sought from any increased rate of sequestration from natural regeneration after a catastrophic reversal until the loss from catastrophic reversals is recovered. At the subsequent SCU issuance, and as the same for any AFOLU SCU Issuance, buffer credits shall be calculated based upon the non-permanence risk analysis determined in accordance with the SOCIALCARBON Standard document *AFOLU Non-Permanence Risk Tool*, as assessed by the validation/verification body(s).
  - 3) Where the reversal is a non-catastrophic reversal (e.g., due to poor management, removal of a portion of the project area from participation in the project or over-harvesting), the following applies:
    - a) No further SCUs shall be issued to the project until the deficit is remedied. The deficit is equivalent to the full amount of the reversal, including GHG emissions from losses to project and baseline carbon stocks.
    - b) The same geographic boundary shall be maintained. The entire project area, including areas degraded or disturbed by the non-



catastrophic event, shall continue to be a part of project monitoring. Projects may not seek GHG credits from any increased rate of sequestration from natural regeneration after a reversal until the loss from non-catastrophic reversals is recovered.

Note – Notwithstanding the rules set out in (b) above, if a section of the project area is excluded from project participation, there is no requirement for the project proponent to uphold the identical geographic project boundary. Furthermore, the area that has been excluded from the project need not undergo ongoing monitoring, provided any previously issued SCUs generated within the excluded area have compensated for.

- 3.2.19** All projects must have a minimum expected lifespan of at least 50 years. The permanence of carbon stocks shall be monitored for a minimum of 50 years. At its discretion, the Social Carbon Foundation may opt to oversee a project or a category of project types, even if the project duration is shorter than 50 years. Social Carbon Foundation and the project proponent should prearrange the conditions for such monitoring. The Social Carbon Foundation retains the authority to conduct permanence monitoring for a project, even without the project proponent's consent, if the project proponent terminates the project or its monitoring.
- 3.2.20** Each project proponent shall sign a written agreement with Social Carbon Foundation to compensate for reversal events.

### Long-term Average GHG Benefit

- 3.2.21** ARR projects with harvesting activities shall not issue SCUs above the long-term average GHG benefit maintained by the project.
- 3.2.22** When Afforestation, Reforestation, and Revegetation (ARR) projects involve timber harvesting, the carbon loss resulting from harvesting must be factored into the calculation of project-related emissions. The total quantity of greenhouse gas (GHG) credits available to these projects should not surpass the long-term average GHG benefit. The GHG benefit of a project is defined as the discrepancy between the project's anticipated outcomes and the baseline scenario concerning carbon stocks stored in specific carbon

reservoirs. This benefit is further adjusted for any emissions arising from N<sub>2</sub>O, CH<sub>4</sub>, fossil-derived CO<sub>2</sub>, and potential leakage emissions.

The determination of the long-term average GHG benefit is to be carried out using the subsequent procedure:

- 1) Establish the period over which the long-term average GHG benefit shall be calculated, noting the following:
  - a. For ARR projects undertaking even-aged management, the time period over which the long-term GHG benefit is calculated shall include at minimum one full harvest/cutting cycle, including the last harvest/cut in the cycle. For example, where a project duration is 50 years and has a harvest cycle of 12 years, the long-term average GHG benefit will be determined for a period of 48 years.
  - b. For ARR projects under conservation easements with no intention to harvest after the project crediting period, the time period over which the long-term average is calculated shall be the length of the project's forecasted duration.
- 2) Determine the expected total GHG benefit of the project for each year of the established time period. For each year, the total GHG benefit is the to-date GHG emission reductions or removals from the project scenario minus baseline scenario.
- 3) Sum the total GHG benefit of each year over the established time period.
- 4) Calculate the average GHG benefit of the project over the established time period.
- 5) Use the following equation to calculate the long-term average GHG benefit:

$$LA = \frac{\sum_{t=0}^n PE_t - BE_t}{n}$$

Where:

LA = The long-term average GHG benefit

PE<sub>t</sub> = The total to-date GHG emission reductions and removals generated in the project scenario (tCO<sub>2</sub>e). Project scenario emission reductions and removals shall also consider project emissions of CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub> and leakage.

- BEt = The total to-date GHG emission reductions and removals projected for the baseline scenario (tCO<sub>2</sub>e)
- t = year
- n = Total number of years in the established time period

- 6) A project may seek GHG credits during each verification event until the long-term average GHG benefit is reached. Once the total number of GHG credits issued has reached this average, the project can no longer issue further SCUs. The long-term average GHG benefit shall be calculated at each verification event, meaning the long-term average GHG benefit may change over time based on monitored data. For an example of determining the long-term average GHG benefit, see the SOCIALCARBON website.

Buffer credits are withheld only when GHG credits are issued. The number of buffer credits to withhold is based on the change in carbon stocks only (not the net GHG benefit), as such the buffer credits will be based on the long-term average change in carbon stock. Use the following equation to calculate the long-term average change in carbon stock.

Where:

$$LC = \frac{\sum_{t=0}^n PC_t - BC_t}{n}$$

- LC = The long-term average change in carbon stock
- PCt = The total to-date carbon stock in the project scenario (tCO<sub>2</sub>e)
- BCt = The total to-date carbon stock projected for the baseline scenario (tCO<sub>2</sub>e)
- t = year
- n = Total number of years in the established time period

## 3.3 Project Documentation

To complete the project validation process, project initiators must compile a project description detailing the activities concerning the reduction or removal of greenhouse gas (GHG) emissions. For the project verification process, project proponents are required to assemble a monitoring report encompassing data and information pertaining to the monitoring of GHG emission reductions or removals.

### Requirements

#### Project Description

- 3.3.1** The project proponent shall use the SOCIALCARBON Project Description Template. The project proponent shall comply with all instructional text within the template.
- 3.3.2** All information in the project description shall be presumed to be available for public review, though commercially sensitive information may be protected, as set out in the SOCIALCARBON Standard document *Registration and Issuance Process*, where it can be demonstrated that such information is commercially sensitive. The validation/verification body shall check that any information designated by the project proponent as commercially sensitive meets the SOCIALCARBON Standard definition of commercially sensitive information. Information in the project description related to the determination of the baseline scenario, demonstration of additionality, and estimation and monitoring of GHG emission reductions and removals shall not be considered to be commercially sensitive and shall be provided in the public versions of the project description. Information related to benefit sharing shall not be considered commercially sensitive.

#### Monitoring Report

- 3.3.3** The project proponent shall use the *SOCIALCARBON Monitoring Report Template* and adhere to all instructional text within the template.
- 3.3.4** The monitoring period of the monitoring report shall be a distinct time period that does not overlap with previous monitoring periods. Projects shall not be eligible for crediting of GHG emission reductions or removals generated in



previous monitoring periods. In addition, monitoring periods shall be contiguous with no time gaps between monitoring periods.

**3.3.5** Where a monitoring report and associated verification report divide a monitoring period into vintages, separate SCU issuance records in accordance with vintage periods may be issued, as set out in the SOCIALCARBON Standard document *Registration and Issuance Process*.

**3.3.6** The monitoring report shall specify the number of GHG emission reductions or removals generated in each calendar year of the monitoring period.

**3.3.7** Projects shall submit a monitoring report at least every 3 years.

**3.3.8** The monitoring report shall be verified prior to submission to SOCIALCARBON.

## 3.4 Project Design

The SOCIALCARBON Standard provides flexibility in project design. Projects can take on different approaches. They can be designed as a single implementation of an activity. Alternatively, projects can be designed to encompass multiple project activities, like an AFOLU project that incorporates ALM and ARR components. Furthermore, projects can be designed to include multiple instances of the same project activity, such as a clean cookstove project distributing cookstoves across various communities. Lastly, projects can be structured as grouped projects, allowing for the expansion of a project activity after the project has been validated.

Note – Project activity and project activity instance both have the specific meanings that are set out in the SOCIALCARBON Standard document '*Definitions*'.

### Requirements – Multiple Project Activities

**3.4.1** Projects may include multiple project activities where the methodology applied to the project allows more than one project activity and/or where projects apply more than one methodology.

**3.4.2** Where more than one methodology has been applied to a project with multiple project activities, the following applies:

- 1) Each project activity shall be specified separately in the project description, referencing the relevant methodology.
- 2) All criteria and procedures set out in the applied methodologies in relation to applicability conditions, demonstration of additionality, determination of baseline scenario and GHG emission reduction and removal quantification shall be applied separately to each project activity, noting the following:
  - a) When the applied methodologies make reference to the same additionality tool and/or procedures, and demonstrating additionality separately for each project activity is not feasible, a unified set of criteria and procedures for proving additionality may be employed. For instance, this unified approach may be appropriate for project activities executed at a single facility, which effectively constitute a single investment. It is the responsibility of the project proponent to substantiate to the validation/verification body that demonstrating additionality separately is not feasible. In the absence of such substantiation, separate demonstrations of additionality must be provided. If a methodology prescribes additional requirements for demonstrating additionality beyond those stipulated in the referenced additionality tool and/or procedures, these supplementary requisites must also be adhered to.
  - b) The criteria and procedures for identifying the baseline scenario may be combined where the relevant methodologies or the referenced additionality tool and/or procedures specify criteria and procedures for combining baseline scenarios.
  - c) The criteria and procedures relating to all other aspects of the methodologies may be combined.
  - d) Where AFOLU projects are required to undertake non-permanence risk assessment and buffer withholding determination, this shall be done separately for each project activity.

**3.4.3** AFOLU projects that include multiple project activities shall comply with the respective project requirements of each included AFOLU category. For each activity covered by a different methodology, the geographic extent of the area to which the methodology is applied shall be clearly delineated.

## Requirements – Multiple Instances of Project Activities

- 3.4.4** Both grouped and non-grouped projects can have multiple project activity instances.
- 3.4.5** Inclusion of further project activity instances subsequent to initial validation of a non-grouped project is not permitted.
- 3.4.6** The baseline determination and additionality demonstration for all project activity instances shall be combined (e.g., multiple cookstove initiatives shall be assessed in combination rather than individually).
- 3.4.7** Where a project includes multiple project activity instances from multiple project activities, the project activity instances from each project activity shall be assessed in accordance with Sections 3.4.1 – 3.4.3.
- 3.4.8** Non-grouped projects with multiple project activity instances shall not exceed any capacity limits to which a project activity is subject.
- 3.4.9** The project proponent shall include in a singular project (non-Grouped Project) all project activity instances within ten kilometres of another instance of the same project activity and with the same project proponent (i.e., instances of the same project activity may not be spread across more than one project if they are within ten kilometres of each other).

## Grouped Projects

### Baseline Scenario and Additionality

- 3.4.10** Grouped projects shall have one or more clearly defined geographic areas within which project activity instances may be developed. Such geographic areas shall be defined using geodetic polygons as set out in Section 3.8 below. The geographic area shall be limited to the host country and biome of the initial instances.
- 3.4.11** The determination of the baseline scenario and the validation of additionality are anchored in the initial project activity instances. These initial instances encompass all project activities described during the validation and currently in effect as of the project description's issuance date. Additionally,

the initial project activity instances can encompass planned instances of the project activity, provided they have been sufficiently planned and developed to facilitate their assessment during validation. Areas devoid of initial project activity instances should not be incorporated into the project unless it can be proven that such areas adhere to an identical (or at least an equally conservative) baseline scenario and rationale for demonstrating additionality as a geographic area containing initial project activity instances.

- 3.4.12** As with non-grouped projects, grouped projects may incorporate multiple project activities (see Section 3.4.1 – 3.4.3 for more information on multiple project activities). Where a grouped project includes multiple project activities, the project description shall designate which project activities may occur in each geographic area.
- 3.4.13** The baseline scenario for a project activity must be established for each specified geographic area, in alignment with the methodology used for the project. In cases where it is unfeasible to establish a single baseline scenario for a project activity covering the entire geographic area, the geographic area should be redefined or subdivided so that a unified baseline scenario can be ascertained for the revised geographic area(s).
- 3.4.14** The demonstration of additionality for the initial project activity instances must be carried out for each specified geographic area, following the methodology used in the project. In cases where demonstrating the additionality of the initial project activity instances across an entire geographic area is unfeasible, the geographic area should be redefined or divided to enable the demonstration of additionality for the instances occurring within the revised geographic area(s).
- 3.4.15** When factors pertinent to establishing the baseline scenario or demonstrating additionality necessitate evaluation across a specific area, the minimum scope for such evaluation should encompass the grouped project's geographic area. These aspects might include, among other things, prevailing norms, legal regulations, governing frameworks, or policies related to demonstrating regulatory surplus, and historical rates of deforestation and degradation.

## Capacity Limits

- 3.4.16** Where a capacity limit applies to a project activity included in the project, no project activity instance shall exceed such limit. Further, no single cluster of project activity instances shall exceed the capacity limit, determined as follows:
- 1) Each project activity instance that exceeds one percent of the capacity limit shall be identified.
  - 2) Such instances shall be divided into clusters, whereby each cluster is comprised of any system of instances such that each instance is within one kilometre of at least one other instance in the cluster. Instances that are not within one kilometre of any other instance shall not be assigned to clusters.
  - 3) None of the clusters shall exceed the capacity limit and no further project activity instances shall be added to the project that would cause any of the clusters to exceed the capacity limit.

## Eligibility Criteria

- 3.4.17** Grouped projects must include one or more defined sets of criteria to determine the eligibility of adding new project activity instances. A minimum of one set of eligibility criteria for incorporating new project activity instances should be established for every pairing of project activity and geographic area as detailed in the project description. A set of eligibility criteria shall ensure that new project activity instances:
- 1) Meet the applicability conditions set out in the methodology applied to the project.
  - 2) Use the technologies or measures specified in the project description.
  - 3) Apply the technologies or measures in the same manner as specified in the project description.
  - 4) Are subject to the baseline scenario determined in the project description for the specified project activity and geographic area.
  - 5) Have characteristics with respect to additionality that are consistent with the initial instances for the specified project activity and geographic area. For example, the new project activity instances have financial, technical and/or other parameters (such as the size/scale of the instances) consistent with the initial instances, or face the same investment, technological and/or other barriers as the initial instances.

Note – Where grouped projects include multiple baseline scenarios or demonstrations of additionality, such projects will require at least one set of eligibility criteria for each combination of baseline scenario and demonstration of additionality specified in the project description.

## Inclusion of New Project Activity Instances

- 3.4.18** Grouped projects provide for the inclusion of new project activity instances subsequent to the initial validation of the project. New project activity instances shall:
- 1) Occur within one of the designated geographic areas specified in the project description.
  - 2) Comply with at least one complete set of eligibility criteria for the inclusion of new project activity instances. Partial compliance with multiple sets of eligibility criteria is insufficient.
  - 3) Must be incorporated into the monitoring report, providing ample technical, financial, geographic, and other pertinent details to establish adherence to the relevant set of eligibility criteria and facilitate potential sampling by the validation/verification body.
  - 4) Be validated at the time of verification against the applicable set of eligibility criteria.
  - 5) Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance began reducing or removing GHG emissions).
  - 6) Have a start date that is the same as or later than the grouped project start date.
  - 7) Not be enrolled in another SOCIALCARBON project or another GHG Programme.
  - 8) Be eligible for crediting from the start date of the instance through to the end of the project crediting period (only). Note that where a new project activity instance starts in a previous verification period, no credit may be claimed for GHG emission reductions or removals generated during a previous verification period (as set out in Section 3.3.4) and new instances are eligible for crediting from the start of the next verification period.)

If the inclusion of a new project activity instance requires the addition of a new project proponent to the project, these instances must be integrated into the grouped project within two years of the project activity instance start date. In the case of an AFOLU activity, this inclusion must occur within five years of the project activity instance start date. The process for adding new project proponents is outlined in the SOCIALCARBON Standard document on the *Registration and Issuance Process*.

## AFOLU Projects

- 3.4.19** AFOLU non-permanence risk analyses must be evaluated for each geographic area as specified in the project description. (For requirements concerning the geographic areas of grouped projects, refer to the SOCIALCARBON Standard). When risks pertain only to a portion of a given geographic area, that area should be further subdivided to allow for the calculation of a single comprehensive risk rating for each geographic area. If a project is divided into multiple geographic areas for risk analysis, the monitoring and verification reports of the project must include the total risk rating for each area along with the corresponding net change in the project's carbon stocks in that specific area. It's important to note that the risk rating for each area applies exclusively to the greenhouse gas (GHG) emissions reductions generated by project activity instances within that particular area.
- 3.4.20** Activity-shifting, market leakage and ecological leakage assessments, where required, shall be undertaken as set out in Section 3.13, and the methodology applied, on the initial group of instances of each project activity and reassessed where new instances of the project activity are included in the project.
- 3.4.21** No new instances may be added which overlap with any of the components of another AFOLU project's zone.

## Project Description for Grouped Projects

- 3.4.22** A grouped project shall be described in a single project description, which shall contain the following (in addition to the content required for non-grouped projects):
- 1) A delineation of the geographic area(s) within which all project activity instances shall occur. Such area(s) shall be defined by geodetic polygons as set out in Section 3.8 below.
  - 2) One or more determinations of the baseline for the project activity in accordance with the requirements of the methodology applied to the project.
  - 3) One or more demonstrations of additionality for the project activity in accordance with the requirements of the methodology applied to the project.





- 4) One or more sets of eligibility criteria for the inclusion of new project activity instances at subsequent verification events.
- 5) A description of the central GHG information system and controls associated with the project and its monitoring.

Note – Where the project includes more than one project activity, the above requirements shall be addressed separately for each project activity, except for the delineation of geographic areas and the description of the central GHG information system and controls, which shall be addressed for the project as a whole.

## 3.5 Project & Carbon Ownership

**3.5.1** The project description shall be accompanied by one or more of the following types of evidence establishing project and carbon ownership accorded to the project proponent(s). The following list provides a summary of eligible evidence of project and carbon ownership:

- 1) Project and carbon ownership arising or granted under statute, regulation or decree by a competent authority.
- 2) Project and carbon ownership arising under law.
- 3) Project and carbon ownership arising by virtue of a statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership).
- 4) Project and carbon ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership).
- 5) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals which declares project and carbon ownership in the name of the project proponent.
- 6) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions or removals which vests project and carbon ownership in the project proponent.
- 7) Project and carbon ownership arising from the implementation or enforcement of laws, statutes or regulatory frameworks that require

activities be undertaken or incentivize activities that generate GHG emission reductions or removals.

## 3.6 Project Start Date

The project start date represents the earliest date when activities were initiated, resulting in the production of greenhouse gas (GHG) emission reductions or removals. This, however, does not encompass the acquisition or the option to purchase the land where the project is intended to occur. For non-AFOLU projects, the project start date corresponds to the day when contracts were officially executed for the procurement of equipment or construction/operational services necessary for the project. In the case of AFOLU projects, it signifies the date when land preparation activities commenced, such as seeding, planting, or alterations in forestry practices.

### Requirements

#### Non-AFOLU Projects

**3.6.1** Non-AFOLU projects shall complete validation within two years of the project start date.

#### AFOLU Projects

**3.6.2** AFOLU projects shall initiate the pipeline listing process (as set out in the SOCIALCARBON Program document *Registration and Issuance Process*) within three years of the project start date.

**3.6.3** All AFOLU projects shall complete validation within three years of the project start date.

## 3.7 Project Crediting Period

The project crediting period designates the duration during which GHG emission reductions or removals produced by the project qualify for the issuance of SCUs. To account for alterations in the project's baseline scenario and regulatory surplus over its lifetime, project crediting periods must be periodically renewed.

### **Non-AFOLU Projects**

**3.7.1** For non-AFOLU projects, the project crediting period shall be either seven years, twice renewable for a total of 21 years, or ten years fixed.

### **AFOLU Projects**

**3.7.2** For ALM focusing exclusively on reducing N<sub>2</sub>O, CH<sub>4</sub> and/or fossil-derived CO<sub>2</sub> emissions, the project crediting period shall be either seven years, twice renewable for a total of 21 years, or ten years fixed. For all other AFOLU projects the project crediting period shall be 10 years, which may be renewed at most ten times with a total project crediting period not to exceed 100 years.

**3.7.3** AFOLU projects shall have a credible and robust plan for managing and implementing the project over the project crediting period.

**3.7.4** The earliest project crediting period start date for AFOLU projects shall be 3 January 2018.

### **Projects Registered under Other GHG Programs**

**3.7.5** Projects registered under other GHG programs are not eligible for SCU issuance beyond the end of the total project crediting period under those programs. For example, a CDM project with a seven year twice renewable project crediting period is not eligible for SCU issuance beyond the end of those 21 years. Where projects have been registered under more than one other GHG program, they are not eligible for SCU issuance after the date that is the earliest end date of all applicable project crediting periods.

### **Renewal of Crediting Period**

**3.7.6** If a project fails to renew the project crediting period, the project crediting period shall end and the project shall be ineligible for further crediting in the future.

**3.7.7** With respect to the renewal of the project crediting period, the following shall apply to the SOCIALCARBON Standard:

- 1) A full reassessment of Additionality is required when renewing the project crediting period.

- 2) The validity of the original GHG emission baseline scenario shall be demonstrated, and if invalid a new GHG emission baseline scenario shall be determined. When renewing the project crediting period, the following will apply:
  - a. The point zero SOCIALCARBON indicators shall be reassessed to ensure that projects are continually improving the broader sustainability impacts delivered.
  - b. The original GHG Emission baseline scenario's validity shall be assessed, including the evaluation of the impact of relevant new national and/or sectoral policies and circumstances on the validity of the baseline scenario.
  - c. Where it is determined that the original GHG emission baseline scenario is still valid, the original GHG emission baseline scenario shall be reassessed using the latest version of the CDM Tool to *assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period.*
  - d. Where it is determined that the original GHG emission baseline scenario is no longer valid, the current baseline scenario shall be established in accordance with the SOCIALCARBON Standard rules.
  - e. The project description, containing updated information with respect to the baseline, the estimated GHG emission reductions or removals and the monitoring plan, shall be submitted for validation. Such updates shall be based upon the latest approved version of the methodology or its replacement. Where the project does not meet the requirements of the latest approved version of the methodology or its replacement, the project proponent shall select another applicable approved methodology (which may be a new methodology or methodology revision it has had approved via the methodology approval process) or shall apply a methodology deviation (where a methodology deviation is appropriate). Failing this, the project shall not be eligible for renewal of its project crediting period.
- 3) The updated project description shall be validated in accordance with the SOCIALCARBON Standard rules. In addition, the project shall be validated against the most recent scope of the SOCIALCARBON Standard. Such validation report shall be issued after the end of the (previous) project crediting period but within two years after the end of the (previous) project crediting period.

## 3.8 Project Location

- 3.8.1** Project location shall be specified in the registry with a single geodetic coordinate.
- 3.8.2** Where there are multiple project activity instances, project location shall be specified according to the following:
- 1) A geodetic coordinate shall be provided for each instance and provided in a KML file; or
  - 2) Where there are a large number of project activity instances (e.g., cookstoves), at least one geodetic coordinate shall be provided, together with geodetic polygons to delineate the project's geographic area or areas provided in a GIS file, and sufficient additional geographic information (with respect to the location of the instances) to enable evidence gathering by the validation/verification body.
- 3.8.3** Project location for grouped projects shall be specified using geodetic polygons to delineate the project's geographic area or areas provided in a KML file, together with sufficient additional geographic information (with respect to the location of the instances) to enable evidence gathering by the validation/verification body.

### AFOLU Projects

- 3.8.4** The spatial extent of the project shall be clearly specified to facilitate accurate monitoring, reporting and verification of GHG emission reductions and removals and to demonstrate that the project meets the eligibility criteria of the relevant project category. The description of the project location shall include the following information:
- 1) Name of the project area (e.g., compartment number, allotment number and local name).
  - 2) Maps of the project zone.
  - 3) A KML file with geodetic polygons that precisely delineates the project zone of the AFOLU project where net emission reductions and removals occur, in accordance with the following:
    - a. Where the project zone is comprised of multiple polygons (parcels), the project location details of each polygon/parcel shall be included in the project description.



- b. Grouped projects and non-grouped projects with multiple project activity instances shall provide geodetic polygons showing the boundary of each instance included in the project. Non-contiguous project activity instances shall be reflected in the polygons in the KML file.
  - c. KML files shall exclude at the project start:
    - i. Any non-eligible areas (e.g., if a project activity relates to improved crop management, the KML file should only be for the participating croplands and should exclude any surrounding land that may be part of the property), and
    - ii. Areas not part of the project area, as defined by the applied methodology (e.g., roads, water bodies, water ways, settlements).
- 4) Total size of the project zone.
  - 5) Details of ownership.

**3.8.5** The project area shall not overlap with the project area of another SOCIALCARBON AFOLU project.

**3.8.6** The project proponent shall demonstrate control over the entire project area with documentary evidence establishing project ownership, noting the following:

- 1) For non-grouped projects, the entire project area shall be under the control of the project proponent at the time of validation or shall come to be under the control of the project proponent by the first verification event.
- 2) Where the project proponent does not yet have control over the entire area at validation, the entire project area (that shall be specified in accordance with Section 3.8.4) is to be validated as if it were under control and the project is ready to be implemented.
- 3) Where less than 80 percent of the total proposed area of the project is under current control at validation, the following applies:
  - a) It shall be demonstrated that the result of the additionality test is applicable to the project area at the time of validation and to the entire project area to come under control in the future.
  - b) The monitoring plan shall be designed such that it is flexible enough to deal with changes in the size of the project.
  - c) The project shall be verified within five years of validation. At verification, the size of the project becomes fixed.

- 4) Where the area fixed at verification is smaller than intended at validation, areas that at verification have not come under control of the project shall be considered in the leakage management, mitigation, and accounting. This requires the selection, at validation, of a methodology with appropriate leakage methods that may be used in the event the entire area does not come under control of the project.
- 5) WRC projects located in a coastal zone shall consider the impact of expected sea level rise on wetland migration (e.g., the potential for landward expansion of the wetland area) when establishing the project area. Where it is not possible to include the entire area expected to be impacted by landward expansion of the wetland area at validation, coastal WRC projects may add land to the project area after the first verification to accommodate wetland migration due to sea level rise.

**3.8.7** Grouped projects shall have a project boundary limited to the biome and host country of the first instance(s).

## 3.9 Project Boundary

The project boundary includes the GHG sources, sinks and reservoirs that are relevant to the project and baseline scenarios. The relevant GHG sources, sinks and reservoirs that shall be included or excluded, or are optional, are set out in the methodology(s) applied by the project.

**3.9.1** In accordance with the methodology applied to the project, the project boundary shall be described (using diagrams as required) and GHG sources, sinks and reservoirs shall be identified and assessed. Any GHG source, sink and reservoir not selected shall be accompanied by a justification.

## 3.10 Baseline Scenario

**3.10.1** The GHG emission baseline scenario for the project must be established in compliance with the stipulations set forth in the methodology employed by the project. There should be a reasoned justification for the selection of the baseline scenario.



- 3.10.2** Equivalence in type and level of activity of products or services provided by the project and the baseline scenario shall be demonstrated and, where appropriate, any significant differences between the project and the baseline scenario shall be explained.
- 3.10.3** When developing the baseline scenario, it is imperative to choose assumptions, values, and procedures that prevent an overestimation of net GHG emission reductions and removals.

## 3.11 Additionality

- 3.11.1** Additionality shall be demonstrated and assessed in accordance with the requirements set out in the methodology used by the project.
- 3.11.2** In addition to the additionality requirements set out in the methodology applied to the project, all projects must demonstrate regulatory surplus.

## 3.12 Quantification of GHG Emission Reductions and Removals

- 3.12.1** GHG emission and/or removals shall be estimated for each GHG source, sink and/or reservoir relevant for the project (including leakage) and the baseline scenarios.
- 3.12.2** The net GHG emission reductions and/or removals generated by the project shall be quantified.
- 3.12.3** Metric tonnes shall be used as the unit of measure and the quantity of each type of GHG shall be converted to tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e).
- 3.12.4** All GHG emission reductions shall be converted to CO<sub>2</sub>e using 100-year global warming potential (GWP) values from the IPCC Fifth. See the following table for the GWP values for methane and nitrous oxide established in AR5.



Eligible GHG	Chemical Formula	100-year GWP value
Carbon Dioxide	CO <sub>2</sub>	1
Methane	CH <sub>4</sub>	28
Nitrous Oxide	N <sub>2</sub> O	265

### 3.13 Leakage

- 3.13.1** AFOLU projects must identify the risk of leakage and integrate the creation of leakage management zones as an integral component of the comprehensive project plan. Leakage management zones serve to reduce the shift of land use activities to regions beyond the project area by sustaining the production of goods and services, like agricultural products, within areas managed by the project proponent. This can also involve addressing the socio-economic factors contributing to land use changes. In the case of WRC projects, measures to counteract ecological leakage may encompass the establishment of a dedicated leakage management zone within the project's boundaries.
- 3.13.2** Activities that aim to mitigate leakage whilst promoting sustainable measures to diminish deforestation and/or forest or wetland degradation are encouraged. These activities encompass various approaches, such as implementing intensified agricultural practices on non-wetlands, extending fallow periods, introducing agroforestry and fast-growing woodlots on deteriorated land, undertaking forest under-story farming, promoting ecotourism and other sustainable livelihood initiatives, supporting the sustainable production of non-timber forest products, and/or practicing sustainable aquaculture. Mitigating leakage can also be reinforced by generating economic opportunities for local communities that incentivize the protection of forests or wetlands.
- 3.13.3** Where projects are required to account for leakage, such leakage evaluation shall be documented in the relevant section of the project description and monitoring report.



- 3.13.4** Market leakage assessments shall occur per the requirements outlined in the methodology(s) applied by the project at validation and verification.
- 3.13.5** Leakage occurring outside the host country (international leakage) does not need to be quantified, unless the project location is within 50 kilometres from a neighbouring country.
- 3.13.6** Projects shall not account for positive leakage (i.e., where GHG emissions decrease or removals increase outside the project area due to project activities).
- 3.13.7** Where the applied methodology(s) does not set out a method to determine whether leakage is de minimis, projects may use the process set out in the CDM A/R methodological *Tool for testing significance of GHG Emissions in A/R CDM Project Activities*.
- 3.13.8** Projects shall monitor and calculate leakage, per the applied methodology, for all ex-post accounting (i.e., at each verification), and leakage shall be deducted from the total GHG emission reductions and/or removals of the project. Any identified leakage should be subtracted from the total GHG emission reductions and/or removals generated by the project. The quantity of GHG emission reductions and removals that are eligible for issuance as SCUs should be adjusted by accounting for any calculated leakage.
- 3.13.9** The number of GHG credits issued to projects is determined by subtracting out the buffer credits from the net GHG emission reductions or removals (including leakage) associated with the project. The buffer credits are calculated by multiplying the non-permanence risk rating by the change in carbon stocks only. The full rules and procedures with respect to assignment of buffer credits are set out in the *SOCIALCARBON Standard document Registration and Issuance Process*.

## 3.14 Broader sustainability assessments

### Measurement

- 3.14.1** SOCIALCARBON indicators shall be outlined in both the project description and monitoring reports. These are used to detail the benefits and impacts generated by the project, encompassing: Social, Human, Financial, Natural, Biodiversity and Carbon.
- 3.14.2** In case a project's activity presents characteristics which are not addressed by any of the approved indicators available, new indicators shall be created and submitted for approval by the SOCIALCARBON Team. These should be created using the *Template for submission of new indicators*.
- 3.14.3** Between three and ten indicators shall be used for each of the six resources.
- 3.14.4** If new indicators created, they must create scenarios for scoring. The scores shall range from the worst scenario (level 1) to the ideal scenario (sustainable use of resource – level 6), according to the guidelines provided in the *Template for submission of new indicators*.
- 3.14.5** Project proponents shall use objective and quantitative criteria to separate scores. Generic language, subjective scenarios and too extensive scenarios shall be avoided.
- 3.14.6** Data used to score the indicators shall be collected through interviews, questionnaires and/or meetings with stakeholders (ex: working groups). Therefore, a selection of stakeholders who will be involved and/or impacted by the project shall be identified. Data collection for the indicators shall be as follows:
- **Interviews:** Key informants are interviewed in a semi-structured form, aiming to indirectly obtain information about the six resources approached by the methodology.

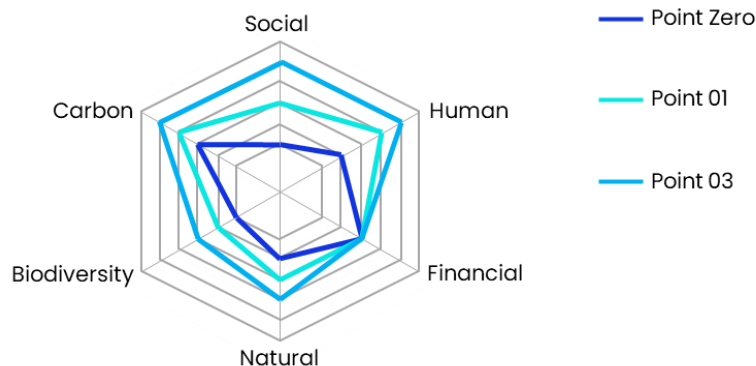
- **Questionnaires:** Questionnaires applied by qualified personnel to involved community members as well as to key informants of the organization in order to collect information.
- **Working groups:** Participatory stakeholder meetings with representatives of the organization and/or community members involved in the project. The meeting is coordinated by a responsible professional, who must orient participants to discuss the indicators.

**3.14.7** The organisation responsible for carrying out the initial assessment may select a single method of application or combine them. Using more than one method allows for a more comprehensive analysis of the project’s current situation. The results of the survey must be registered, compiled and assessed, according to each indicator.

**3.14.8** A baseline (‘Point Zero’) for the broader sustainability impacts of the project shall be assessed and documented in the project description. This ‘Point Zero’ is the first assessment of the SOCIALCARBON indicators.

**3.14.9** The project shall periodically monitor according to the approved indicators and included in the respective verification report for the monitoring period. Ergo Point Zero is followed by a Monitoring Report – Point 1, which is then followed by another Monitoring Report – Point 2, and so on.

**3.14.10** The results of the indicator assessments shall be documented through the templates provided in the Project Description Template and Monitoring Report Template. The results shall also be displayed graphically using the SOCIALCARBON hexagon. See below an example:



- 3.14.11** For grouped projects, each individual project within the Grouped project must be independently monitored. The grouped project must then calculate the average for each resources across each individual project. See the SOCIALCARBON Guidance Document “*Grouped Projects – Monitoring Co-Benefits*” for more details.

### Continual Improvement

- 3.14.12** During the periodic verifications, the broader sustainability impacts that are measured by the SOCIALCARBON indicators must:
- demonstrate prospects for improvement;
  - report progress attained and/or justify underachievement of the prospects included in previous reports;
  - demonstrate evidence that a significant amount of the prospects are being attained in comparison to the last report certified. Efforts that are underway but not yet complete will still be considered as improvements; and
  - no decrease in score for the same resource three consecutive times.

If the project shows a decrease in score for the same resource three consecutive times, and no Special Request has been Approved, the project will no longer be eligible to issue SCUs through SOCIALCARBON until it can demonstrate it has improved the resource against the most recent score.

**Note:** Grouped projects are assessed against their average score, not the scores of individual instances.

- 3.14.13** Project proponents may write to the SOCIALCARBON Team to request that one or more of the Criteria is disregarded due to a specific situation (the ‘Special Request’), if one of the following exceptions is applicable:
- Breach of any of the criteria above is caused by external forces and/or force majeure;
  - Project proponent can demonstrate that no portion of the project offset units have been negotiated since the end of the latest monitoring period, and therefore no income was available to fund improvements;

- c) Breach of criteria (b) when the overall score of the resource has improved and the project proponent can evidence other improvements unforeseen in the previous perspectives of the Project.

Special Requests shall be sent to the SOCIALCARBON Team via e-mail at [operations@socialcarbon.org](mailto:operations@socialcarbon.org), containing the name of the project; the indicator and/or resource affected; thorough description of the breach; and evidence of the exception.

Once sent by a project proponent, the SOCIALCARBON Team will respond to any Special Request via e-mail, communicating the final decision, which may be one of the following:

- a) Approval of the Special Request;
- b) Denial of the Special Request;
- c) Solicitation of further information and/evidence from the requesting party or the other parties. The SOCIALCARBON Team decisions shall be final and will not be subject to appeal.

**3.14.14** During the Validation it is allowed, and even encouraged, that Validators ask project proponents for changes in the approved indicators, either because some indicators cannot be audited or because collecting evidence for the indicator is possible, but not feasible. That is often the case for indicators that contain the words “all”, “none” or “never”. If the Certifying Entity asks for changes in the indicators, the project proponent must submit the indicators revised to the SOCIALCARBON Team for approval before Validation can be concluded.

## 3.15 Sustainable Development Goals (SDGs)

**3.15.1** Projects shall undertake an upfront assessment of the Sustainable Development Goals (SDGs) impact of the project.

**3.15.2** The Project shall document which SDGs are delivered by the project, along with justifications that are quantifiable and can be validated by a validator/verifier.



- 3.15.3** The SDG assessment shall be documented as part of the SOCIALCARBON Indicators component of the Project Description and monitored periodically in each monitoring report submitted.

## 3.16 Monitoring

- 3.16.1** Data and parameters used for the quantification of GHG emission reductions and/or removals shall be provided in accordance with the methodology.
- 3.16.2** Quality management procedures to manage data and information shall be applied and established. Where applicable, procedures to account for uncertainty in data and parameters shall be applied in accordance with the requirements set out in the methodology.
- 3.16.3** The project proponent shall establish an information system for obtaining, recording, compiling and analysing data and information important for quantifying and reporting GHG emissions and/or removals and broader sustainability impacts relevant for the project (including leakage) and baseline scenario.
- 3.16.4** A monitoring plan for the project that includes roles and responsibilities shall be established.
- 3.16.5** Where measurement and monitoring equipment is used, the project proponent shall ensure the equipment is calibrated according to the equipment's specifications and/or relevant national or international standards.
- 3.16.6** All spreadsheets used to calculate GHG emission reductions and/or removals shall be uploaded onto the registry and made publicly available.

## 3.17 Safeguards

- 3.17.1** Projects shall undertake an upfront safeguarding assessment and implement their Project in accordance with the stated SOCIALCARBON safeguarding requirements.

The safeguarding assessment shall be documented in the Project Description, and monitored periodically with an assessment documented in each monitoring report submitted. To demonstrate compliance with the safeguarding requirements, evidence, as needed, shall be provided to the validating and/or verifying body.

**3.17.2** The project proponent shall conduct a local stakeholder consultation prior to validation as a way to inform the design of the project and maximize participation from stakeholders. Such consultations allow stakeholders to evaluate impacts, raise concerns about potential negative impacts and provide input on the project design. Any stakeholder consultations as part of project design and implementation shall be conducted in a manner that is inclusive, culturally appropriate, and respectful of local knowledge, and take these consultations into account and respond to local stakeholders' views, and shall include:

- 1) At least one representative from each stakeholder group should be present.
- 2) The consultation should include a discussion of the project design and implementation, ensuring agreement and consent from stakeholder groups to participate.
- 3) The consultation should address the risks, costs, and benefits the project may bring to stakeholders.
- 4) Ensure compliance with all relevant laws and regulations covering workers' rights in the host country.
- 5) Provide information on the impact to property rights as part of the free, prior, and informed consent (FPIC) process.
- 6) Discussion of benefit sharing arrangements where applicable.
- 7) Explain the process of SOCIALCARBON validation and verification, including the validation/verification body's site visit.

**3.17.3** The project proponent shall establish mechanisms for ongoing communication with local stakeholders to allow stakeholders to raise concerns about potential negative impacts during project implementation. As part of ongoing consultation, the project proponent shall communicate at least:

- 1) The risks, costs and benefits the project may bring to stakeholders.
- 2) The benefit sharing mechanism where relevant.
- 3) The ongoing FPIC process.



4) All relevant laws and regulations covering workers' rights in the host country.

**3.17.4** Prior to each validation/verification event, the project proponent shall communicate:

1) The project design and implementation, including the results of monitoring.

2) Identify and address the potential risks, costs, and benefits associated with the project for stakeholders.

3) The benefit sharing mechanism where applicable.

4) Provide updates on the ongoing Free, Prior, and Informed Consent (FPIC) process.

5) All relevant laws and regulations covering workers' rights in the host country.

6) Explain the process of SOCIALCARBON validation and verification, including site visit by the validation/verification body.

**3.17.5** The project proponent shall take due account of all and any input received during the local stakeholder consultation and through ongoing communications, which means it will need to either update the project design or justify why updates are not appropriate. The project proponent shall demonstrate to the validation/verification body what action it has taken in respect of the local stakeholder consultation as part of validation, and in respect of ongoing communications as part of each subsequent verification.

**3.17.6** In addition to meeting the requirements under the Safeguarding Requirements, the project shall comply with applicable national law, including those laws implementing host country obligations under international law. When host country requirements differ from requirements presented in this document, projects shall comply with the requirements whichever is more stringent.

**3.17.7** The project proponent must establish a grievance redress procedure to handle disputes with stakeholders that may arise during project planning and implementation. This includes addressing concerns related to benefit sharing and all other safeguard and stakeholder engagement requirements mentioned in Section 3.17. The procedure should encompass steps for receiving, listening to, responding to, and seeking resolution for grievances within a reasonable



timeframe, while also considering culturally appropriate conflict resolution methods. All procedures and documentation of resolved disputes must be made accessible to the public. The grievance redress procedure should consist of three stages:

- 1) The project proponent must make efforts to resolve all grievances amicably and provide a culturally appropriate written response.
- 2) If grievances cannot be resolved through amicable negotiations, they should be referred to mediation by a neutral third party.
- 3) If grievances remain unresolved after mediation, they should be referred either to a) arbitration, in accordance with the laws of the relevant jurisdiction, or b) competent courts in the relevant jurisdiction. This is without prejudice to the option for any party to submit the grievance to a competent supranational adjudicatory body, if available.

**3.17.8** The project may impact property rights only upon obtaining free, prior, and informed consent from affected parties, including Indigenous Peoples (IPs), local communities (LCs), and customary rights holders. A transparent agreement must be reached, encompassing provisions for just and fair compensation. If any conflicts over property rights, usage, or resources are ongoing or unresolved, the project must refrain from activities that could escalate the conflict or influence the outcome of disputes.

Before finalizing such an agreement, the project proponent must disclose, at minimum, the following information:

- 1) Details regarding the nature, size, pace, reversibility, and scope of proposed project activities.
- 2) The purpose or objectives of the project and/or activities.
- 3) The anticipated duration of project activities.
- 4) Locations that will be impacted by the project.
- 5) An initial assessment of potential economic, social, cultural, and environmental impacts, including associated risks and considerations for fair and equitable benefit sharing, guided by the precautionary principle.

- 6) Personnel expected to be involved in project execution, encompassing Indigenous Peoples, private sector staff, research institutions, government employees, and other relevant stakeholders.

## Human Rights

- 3.17.9** The Project proponent and the Project shall respect internationally proclaimed human rights and shall not be complicit in violence or human rights abuses of any kind as defined in the Universal Declaration of Human Rights<sup>1</sup>, other international human rights treaties<sup>2</sup>, or the International Bill of Human Rights and universal instruments ratified by the host country.
- 3.17.10** The Project shall not discriminate with regards to participation and inclusion.

## Gender equality

- 3.17.11** The Project shall not directly or indirectly reinforce gender-based discrimination and shall not lead to or contribute to adverse impacts on gender equality and/or the situation of women. Specifically, this shall include, but is not limited to:
- a) Sexual harassment and/or any forms of violence against women – address the multiple risks of gender-based violence, including sexual exploitation or human trafficking.
  - b) Slavery, imprisonment, physical and mental drudgery, punishment or coercion of women and girls.
  - c) Restriction of women's rights or access to resources (natural or economic).
  - d) Recognise women's ownership rights regardless of marital status – adopt project measures where possible to support to women's access to inherit and own land, homes, and other assets or natural resources.

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<sup>1</sup> <http://www.un.org/en/universal-declaration-human-rights/>

<sup>2</sup> These include the following, but not limited to: [International Convention on the Elimination of All Forms of Racial Discrimination](#) (1969), [International Covenant on Civil and Political Rights](#) (1976), [International Covenant on Economic, Social and Cultural Rights](#) (1976), [Convention on the Elimination of All Forms of Discrimination against Women](#) (1981), [Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment](#) (1987), [Convention on the Rights of the Child](#) (1990), [International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families](#) (2003), [International Convention for the Protection of All Persons from Enforced Disappearance](#) (2010), [Convention on the Rights of Persons with Disabilities](#) (2008), [The United Nations Declaration on the Rights of Indigenous Peoples](#) (2007), [ILO Convention 169 on Indigenous and Tribal Peoples](#) (1989).

**3.17.12** Projects shall apply the principles of non-discrimination, equal treatment, and equal pay for equal work, specifically:

- a) Where appropriate for the implementation of a Project, paid, volunteer work or community contributions will be organised to provide the conditions for equitable participation of men and women in the identified tasks/activities. Introduce conditions that ensure the participation of women or men in Project activities and benefits based on pregnancy, maternity/paternity leave, or marital status.
- b) Ensure that these conditions do not limit the access of women or men, as the case may be, to Project participation and benefits.

**3.17.13** Project proponents shall align with the national gender policy frameworks of the project's host country.

### Health and Safety

**3.17.14** The Project shall avoid community exposure to increased health risks and shall not adversely affect the health of the workers and the community.

### Cultural and Historical Heritage

**3.17.15** The Project shall not involve or be complicit in the alteration, damage or removal of any sites, objects or structures of significant cultural heritage.

**3.17.16** Where a Project proposes to utilise Cultural Heritage, including the knowledge, innovations, or practices of local communities, the affected communities shall be informed of:

- a) Their rights under Applicable Law,
- b) The scope and nature of the proposed commercial development; and
- c) The potential consequences of such development.

**3.17.17** The Project shall provide for equitable sharing of benefits from commercialisation of such knowledge, innovation, or practice, consistent with their customs and traditions.

## Forced displacement

- 3.17.18** The Project shall not involve and shall not be complicit in the involuntary relocation of people. Any displacement is to occur only with the consent of affected parties, with full justification provided as well as appropriate forms of legal protection and compensation support.
- 3.17.19** In the event of displacement that aligns with clause 3.17.18, Projects shall ensure a meaningful and informed participation of affected individuals and communities in the planning, implementation and monitoring of resettlement activities.

## Land Tenure and Rights

- 3.17.20** The project proponent shall identify all such sites/matters potentially affected by the Project. For all such sites/matters identified the Project shall respect and safeguard:
- a) Legal rights, or
  - b) Customary rights, or
  - c) Carbon rights
- 3.17.21** The project proponent must hold uncontested project and carbon rights for the entire Project Boundary.

## Indigenous people

- 3.17.22** The project proponent shall recognise and respect the indigenous people's collective rights to own, use, and develop and control the lands, resources and territories that they have traditionally owned, occupied or otherwise used or acquired, including lands and territories for which they do not yet possess title.
- 3.17.23** The Project Developer shall respect, protect, conserve and shall not take the cultural, intellectual, religious and spiritual property of indigenous peoples without their free, prior and informed consent (FPIC).

**3.17.24** Project Developer shall ensure that the indigenous people are provided with the equitable sharing of benefits to be derived from utilisation and/or commercial development of natural resources on lands and territories or use of their traditional knowledge and practices by the Project. This shall be done in a manner that is culturally appropriate and inclusive and that does not impede land rights or equal access to basic services including health services, clean water, energy, education, safe and decent working conditions and housing.

### Corruption

**3.17.25** The Project shall not involve, be complicit in or inadvertently contribute to or reinforce corruption or corrupt Projects.

### Labour

**3.17.26** The project proponent shall ensure that there is no forced labour and that all employment is in compliance with national labour and occupational health and safety laws, with obligations under international law, and consistency with the principles and standards embodied in the International Labour Organization (ILO)<sup>3</sup> fundamental conventions. This applies to both the project and the supply chain that the project is dependent upon.

**3.17.27** The project proponent shall use adequate and verifiable mechanisms for age verification in recruitment procedures in order to prevent child labour as defined by the ILO Minimum Age Convention. Exceptions are children for work on their families' property as long as the following requirements are met:

- a) Their compulsory schooling (minimum of 6 schooling years) is not hindered, AND
- b) The tasks they perform do not harm their physical and mental development, AND
- c) They are provided appropriate equipment, training of workers, documentation and reporting of accidents and incidents, and emergency preparedness and response measures.

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<sup>3</sup> For guidance, see IFC Performance Standard 2 "Labor and Working Conditions" information and tools. Also, see ILO publications on Rules of the Game: an information to standards-related work of the ILO.

- 3.17.28** The project proponent shall allow workers to join or form workers’ organisations or participate in collective bargaining and shall avoid retaliation against workers who organize.
- 3.17.29** The project proponent shall make appropriate efforts to ensure that contracted workers employed by third parties are protected and the third parties comply with national labour and occupational health and safety laws, with obligations under international law, and consistency with the principles and standards embodied in the International Labour Organization (ILO)<sup>4</sup> fundamental conventions.

### Financial sustainability

- 3.17.30** The project proponent shall demonstrate financial sustainability of the Projects implemented.

### Climate

- 3.17.31** Projects shall not increase greenhouse gas emissions over the Baseline Scenario unless this is specifically allowed within Activity Requirements or the applied Methodology.

### Natural resources

- 3.17.32** The Project shall ensure that surface water resources are conserved. This includes maintaining credible environmental flows, demonstrated by providing a verifiable calculation that shows conservation is maintained at a level, and ensuring that any discharged wastewater is of a high enough standard to allow beneficial reuse.
- 3.17.33** The Project shall provide verifiable evidence of water stress experienced in the basin(s) in which the Project is active, and demonstrate that consumption of water by the Project (over Baseline) is negligible or will bring positive impacts or, at a minimum, not increase the overall annual basin stress.

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<sup>4</sup> For guidance, see IFC Performance Standard 2 “Labor and Working Conditions” information and tools. Also, see ILO publication on Rules of the Game: an introduction to standards-related work of the ILO.

- 3.17.34** Where the Project is involved in abstraction from water resources required to support biodiversity and other ecosystem services, an environmental flow assessment consistent with good practice, including a modern method outlined in one of the key references listed below must be undertaken.
- 3.17.35** Where environmental flow assessments are impractical, the Project is required to demonstrate that the flow rate and variability is maintained from the abstracted water resource. A verifiable calculation shall be provided for each water source demonstrating total flow rates do not fall below levels that are contextually appropriate.
- 3.17.36** The Project shall demonstrate that measures to ensure soil protection and minimised erosion are in place prior to the commencement of the Project.
- 3.17.37** The Project shall demonstrate that measures will be undertaken to ensure that surface and ground waters are protected from erosion and that these measures are in place prior to the commencement of the Project.
- 3.17.38** The Project shall identify the functions and services provided by the landscape and demonstrate no net degradation in existing landscape function and services.
- 3.17.39** Measures shall be incorporated to minimise soil degradation (e.g., through crop rotation, composting, no use of heavy machinery, reduced tillage, no use of ecologically harmful substances).
- 3.17.40** The Project shall avoid and, if this is not possible, minimise, impacts on biodiversity and ecosystem services including the production of living natural resources.
- 3.17.41** The Project shall require that mitigation actions avoid the introduction of invasive alien species of flora and fauna affecting biodiversity.



- 3.17.42** For mitigation activities that involve restoration, the Project shall use a species mix that is dominated by native species that are fit for the ecosystem under a changing climate.
- 3.17.43** Projects that involve the production, harvesting, and/or management of living natural resources by small-scale landholders and/or local communities shall adopt the appropriate and culturally sensitive sustainable resource management practices.
- 3.17.44** Projects shall maintain or enhance biodiversity and ecosystem functionality in the project area.
- 3.17.45** No Project that potentially negatively impacts identified high conservation value areas and critical habitats<sup>5</sup> shall be implemented unless all of the following are demonstrated:
- a) The risk of the Project negatively impacting the catchment and risks impacting project success shall be assessed and addressed to ensure its ongoing, long-term viability and impact on surrounding HCV and ecological assets.
  - b) No measurable adverse impacts on the criteria or biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;

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<sup>5</sup> Critical habitats are a subset of both modified and natural habitats that require special attention. Critical habitats are areas with high biodiversity value, including any of the following features:

- i. habitat of significant importance to Critically Endangered and/or Endangered species;
- ii. habitat of significant importance to endemic and/or restricted-range species;
- iii. habitat supporting globally significant concentrations of migratory species and/or congregatory species;
- iv. highly threatened and/or unique ecosystems; and/or v. areas associated with key evolutionary processes.

Critical habitats include those areas that are:

- i. legally protected,
- ii. officially proposed for protection,
- iii. identified by authoritative sources for their high conservation value (such as areas that meet criteria of the World Conservation Union classification, the Ramsar List of Wetlands of International Importance, and the United Nations Scientific and Cultural Organization's world heritage sites) or recognized as protected by traditional local communities.

- c) A robust, appropriately designed, and long-term Habitats and Biodiversity Action Plan is in place to achieve net gains of those biodiversity values for which the critical habitat was designated.

**3.17.46** If the Project is located in such habitats; the Project Proponent shall:

- a) Minimise unwarranted conversion or degradation of the habitat.
- b) Identify opportunities to enhance the habitat as part of the Project. For Projects applying the Land Use & Forest Activity Requirements Projects, a minimum 10% of the Project area shall be identified and managed to protect or enhance the biological diversity of native ecosystems. For this, the HCV approach should be followed ([www.HCVnetwork.org](http://www.HCVnetwork.org)). This area has to be located within the project region and managed by the Project proponent. The area may also include the areas of the requirement (for example, buffer zones for water bodies in the case of Land Use & Forests).

**3.17.47** Under no circumstances shall the Project lead to the reduction or negative impact of any recognised Endangered, Vulnerable or Critically Endangered species.

**3.17.48** Habitats of endangered species shall be specifically identified and managed to protect or enhance them.

## Pollution & Waste Management

**3.17.49** The Project shall avoid the release of pollutants<sup>6</sup>. This applies to the release of pollutants to air, water, and land due to routine, non-routine and accidental circumstances, and shall abide to local laws and regulations or IFC performance standard #3<sup>7</sup> (whichever the higher).

**3.17.50** All potential pollution sources that may result from the Project that cause the degradation of the quality of soil, air, surface and groundwater within the Project's

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<sup>6</sup> For the purposes of this Standard, the term "pollution" refers to both hazardous and non-hazardous pollutants in the solid, liquid, or gaseous phases, and includes other components such as pests, pathogens, thermal discharge to water, GHG emissions, nuisance odours, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light.

<sup>7</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/policies-standards/performance-standards/ps3](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps3)

area of influence shall be identified. Appropriate mitigation measures and monitoring shall be implemented to ensure the protection of resources.

- 3.17.51** Projects shall avoid or, when avoidance is not feasible, minimise and control release of hazardous materials resulting from their production, transportation, handling, storage and use in the Project. Where avoidance is not possible, the health risks, including potential differentiated effects on men, women and children, of the potential use of hazardous materials shall be addressed appropriately.
- 3.17.52** Projects shall consider the use of less hazardous substitutes for such chemicals and materials and will avoid the manufacture, trade, and use of chemicals and hazardous materials subject to international bans or phase-outs due to their high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer<sup>8</sup>.
- 3.17.53** Where waste may not be recovered or reused, it shall be treated, destroyed, or disposed of in an environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material.
- 3.17.54** The Project shall promote more sustainable use of resources, including energy and water by abiding to local laws and regulations or IFC performance standard #3 (whichever the higher).

### Pesticides & Fertilisers

- 3.17.55** Projects involving pest management, the integrated pest management (IPM) and /or integrated vector management (IVM) approaches shall be adopted and aim to reduce reliance on chemical pesticides.

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<sup>8</sup> As defined by international conventions or local legislation. Where local legislation and international conventions may diverge, the higher standard will apply.

**3.17.56** When Projects include pest management or the use of pesticides, pesticides that are low in human toxicity, known to be effective against the target species and have minimal effects on non-target species and the environment shall be selected.

**3.17.57** Fertilisers shall be avoided, or their use shall be minimised and justified. If the aerial application of fertiliser is used, then measures shall be put in place to prevent drift.

### Food

**3.17.58** The Project activity shall not negatively influence access to and availability of food for people affected.

## 3.18 Methodology deviations

**3.18.1** Deviations from the applied methodology are permitted where they represent a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology.

**3.18.2** Methodology deviations shall not negatively impact the conservativeness of the quantification of GHG emission reductions or removals, except where they result in increased accuracy of such quantification.

**3.18.3** Methodology deviations shall be permitted at validation or verification and their consequences shall be reported in the validation or verification report, as applicable, and all subsequent verification reports. Methodology deviations are not considered to be precedent setting.

## 3.19 Project Description Deviations

In certain situations, projects can deviate from the initially validated project description to accommodate evolving circumstances post-validation. These deviations need to be detailed and evaluated by a validation/verification body as part of the next project verification.

**3.19.1** Deviations from the project description are permitted at verification, subject to the requirements below.



**3.19.2** The procedures for documenting a project description deviation depend on whether the deviation impacts the applicability of the methodology, additionality, or the appropriateness of the baseline scenario. Interpretation of whether the deviation impacts any of these shall be determined consistent with the *CDM Guidelines on assessment of different types of changes from the project activity as described in the registered PDD*, mutatis mutandis. The procedures are as follows:

- 1) Where the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario, the deviation shall be described and justified in a revised version of the project description. This shall include a description of when the deviation occurred, the reasons for the deviation and how the deviation impacts the applicability of the methodology, additionality and/or the appropriateness of the baseline scenario.

An illustration of such a departure is an alteration in project capacity, where a more plausible baseline scenario would necessitate a change, the applied methodology would become inappropriate, or there would be a substantial influence on the investment analysis employed by the project to establish additionality. Additional instances involve modifications to the project that may yield analogous impacts, such as the incorporation of new carbon pools or new types of project activities.

- 2) In cases where the deviation does not affect the suitability of the methodology, the concept of additionality, or the relevance of the baseline scenario, and the project continues to align with the applied methodology, the deviation must be detailed and rationalized within the monitoring report. This description should encompass the timing and rationale for the changes. Furthermore, the deviation should be documented in all subsequent monitoring reports.

Examples of such deviations include changes in the procedures for measurement and monitoring, or project design changes that do not have an impact on the applicability of the methodology, additionality, or the appropriateness of the baseline scenario.

- 3) Project proponents may apply project description deviations for the purpose of switching to a different methodology, where permitted. Where a project switches to a new methodology or methodology version, the project description shall be updated accordingly.
- 4) A project may switch to a new version of the existing methodology and update its project description accordingly at any point during the crediting or baseline period.

**3.19.3** Projects cannot claim additional GHG emission reductions/removals in a previously verified monitoring period resulting from a project description deviation.

**3.19.4** The deviation shall be assessed by a validation/verification body and the process, findings and conclusions shall be reported in the verification report. The assessment shall determine whether the deviation has been adequately detailed and justified, and whether the project continues to adhere to the rules of the SOCIALCARBON Standard. Moreover, the deviation will be included in all future verification reports. In the event of any modifications to the project description, these changes must undergo a validation process.

**3.19.5** Project description deviations are not considered to be precedent-setting.

**3.19.6** The validation/verification body assessing the project description deviation shall be accredited for the validation, recognizing that assessment of project description deviations is a validation activity, as further set out in the SOCIALCARBON Standard Guide.

## 3.20 Methodology Grace Periods

A methodology grace period represents the duration during which projects can utilize a revised, newly excluded, or inactive methodology, module, or tool. The grace period's endpoint aligns with the issuance date of the validation report (for registration and crediting period renewal) or the verification report (for baseline reassessment).

**3.20.1** Grace periods are only granted to projects completing validation that requested listing on the SOCIALCARBON Registry when the prevailing

methodology version becomes inactive, or a methodology is excluded from the SOCIALCARBON Standard.

**3.20.2** Projects that have already been validated must comply with the new version of the methodology within two years of its release, the project's baseline reassessment or crediting period renewal (whichever is the earliest), unless otherwise specified in the revised methodology.

**3.20.3** The grace periods for completing validation are set as follows:

- 1) Where a methodology is revised, project proponents may apply the prevailing methodology version for up to six months from the approval of the new version, unless otherwise specified on the SOCIALCARBON website.
- 2) Where a methodology of an approved GHG program is newly excluded from the SOCIALCARBON Standard and replaced by a SOCIALCARBON methodology, project proponents may use the previously accepted methodology of the approved GHG program for up to three months from the approval of the SOCIALCARBON methodology.
- 3) Where a previously approved methodology becomes inactive, project proponents may use the methodology version up to six months from the date it becomes inactive unless otherwise specified on the SOCIALCARBON website.
- 4) The Social Carbon Foundation reserves the right to set different grace periods.

## 3.21 Participation under Other GHG Programs

**3.21.1** Project proponents shall not seek credit for the same GHG emission reduction or removal under the SOCIALCARBON Standard and another GHG program. Projects issuing GHG credits under both the SOCIALCARBON Standard and another GHG program shall also comply with the rules and requirements set out in the SOCIALCARBON Standard document *Registration and Issuance Process*.

**3.21.2** Projects registered under other GHG programs are not eligible for SCU issuance beyond the end of the total project crediting period under those

programs, or the accepted total project crediting period for the selected project type under the SOCIALCARBON Standard.

- 3.21.3** Projects registered under a GHG program that is not an approved GHG program may also register with the SOCIALCARBON Standard where a validation or verification report has been issued under such program (by an entity approved under the program to issue such reports). For such projects, the following applies:
- 1) The project crediting period start shall be on or after 3 January 2015.
  - 2) A new SOCIALCARBON Project Description Template shall be completed (using a methodology eligible under the SOCIALCARBON Standard) and a validation/verification body shall undertake a full validation of same in accordance with the SOCIALCARBON Standard rules. The validation report shall be accompanied by a validation representation.
  - 3) The validation or verification that is submitted to request registration under the other GHG program shall be completed. Validation or verification is deemed to have been completed when the validation or verification report that is submitted to the other GHG program to request registration has been issued.
- 3.21.4** All and any (SOCIALCARBON) monitoring and verification reports shall state the total amount of credits (GHG credits and, where applicable, buffer credits) issued under the other GHG program.
- 3.21.5** Projects rejected by other GHG programs due to procedural or eligibility requirements can be considered under the SOCIALCARBON Standard, but the following conditions shall be met:
- 1) The project description (where the other GHG program has rejected the project before SOCIALCARBON validation) or monitoring report (where the other GHG program has rejected the project after SOCIALCARBON validation) shall clearly state all GHG programs to which the project has applied for registration and the reason(s) for rejection. Such information shall not be deemed as commercially sensitive information.
  - 2) The validation/verification body shall be provided with the rejection document(s), including any additional explanations.
  - 3) The project shall be validated against the SOCIALCARBON Standard rules. For projects where the other GHG program has rejected the project after





SOCIALCARBON validation, this means a complete revalidation of the project against the SOCIALCARBON Standard rules.

## 3.22 Other Forms of Environmental Credit

- 3.22.1** SCUs used in the context of Paris Agreement Article 6 mechanisms and international Paris related programs such as CORSIA shall meet any and all relevant requirements established under such mechanisms and programs. This includes, in particular, any requirements relating to double counting and corresponding adjustments. Project proponents shall demonstrate adherence to such requirements by applying the relevant SCU label to their SCUs in the SOCIALCARBON registry.
- 3.22.2** SCUs can be issued with or without such SCU labels. SCUs used for voluntary carbon market purposes do not require such SCU labels, though labelled SCUs may be used for voluntary market transactions if desired.
- 3.22.3** Where projects reduce GHG emissions from activities that are included in an emissions trading program or any other mechanism that includes GHG allowance trading, evidence shall be provided that the GHG emission reductions or removals generated by the project have not and will not be otherwise counted or used under the program or mechanism. Such evidence may include:
- 1) A letter from the program operator, designated national authority or other relevant regulatory authority that emissions allowances (or other GHG credits used in the program) equivalent to the reductions or removals generated by the project have been cancelled from the program or national cap, as applicable.
  - 2) Evidence of the purchase and cancellation of GHG allowances equivalent to the GHG emissions reductions or removals generated by the project related to the program or national cap.
  - 3) Evidence from the program operator, designated national authority or other relevant regulatory authority stating that the specific GHG emission reductions or removals generated by the project or type of project are not within the scope of the program or national cap

- 3.22.4** Projects may generate other forms of GHG-related environmental credits, such as renewable energy certificates (RECs), though GHG emission reductions and removals presented for SCU issuance shall not also be recognized as another form of GHG-related environmental credit.
- 3.22.5** Where projects have sought or received another form of GHG-related environmental credit, the following information shall be provided to the validation/verification body:
- 1) Name and contact information of the relevant environmental credit program.
  - 2) Details of the project as registered under the environmental credit program (e.g., project title and identification number as listed under the program).
  - 3) Monitoring periods for which GHG-related environmental credits were sought or received under the environmental credit program.
  - 4) Details of all GHG-related environmental credits sought or received under the environmental credit program (e.g., volumes and serial numbers).
- 3.22.6** Where projects are eligible to participate under one or more programs to create another form of GHG-related environmental credit, but are not currently doing so, a list of such programs shall be provided to the validation/verification body.

Note: sections 3.22.5 and 3.22.6 do not apply to non-GHG related environmental credits, such as water or biodiversity credits.

## 3.23 Records and Information

- 3.23.1** The project proponent shall ensure that all documents and records are securely stored and accessible for a minimum of two years following the conclusion of the project's crediting period.
- 3.23.2** For validation, the project proponent shall provide the validation/verification body with the project description, proof of project ownership, and any requested supporting information and data essential to corroborate the

statements and data within the project description and evidence of project ownership.

- 3.23.3** For verification, the project proponent shall provide the validation/verification body with the project description, validation report, monitoring report applicable to the monitoring period and any requested supporting information and data needed to evidence statements and data in the monitoring report.

## 3.24 Corresponding Adjustments

- 3.24.1** The project proponent shall document and provide evidence on whether the host country makes it mandatory for projects to have written attestation from the host country's national focal point or focal point's designee. This is to be documented in the project description and re-assessed at every verification.

- 3.24.2** When written attestation from the host country's national focal point or focal point's designee is mandatory, the attestation(s) must specify, and describe any steps taken, to prevent mitigation associated with units used by the Project Proponent from also being claimed toward a host country's national mitigation target(s) / pledge(s).

- 3.24.3** All written attestations must be uploaded onto the SOCIALCARBON Registry and made publicly available.

## 3.25 Double Claiming and Scope 3 Emissions

- 3.26.1** Project planning to have their credits approved as eligible under CORSIA or other global frameworks that require mitigations to double claiming must comply with the requirements documented in the latest version of the SOCIALCARBON Document "*Requirements for Avoiding Double Counting in the ICAO'S CORSIA and other Frameworks*".

- 3.26.2** In cases where the project proponent(s) or their authorized representative are involved as buyers or sellers of a product within a supply chain, and the emissions footprint of this product is influenced by the project activities outlined in the project description, they are required to display a statement

on their official website. This statement should read: "Carbon credits may be issued via the SOCIALCARBON Standard project [project ID] for the greenhouse gas emission reductions or removals linked to [project proponent or authorized representative organization name(s)] [product name(s) whose emissions footprint is impacted by the project activities]." This public statement must be published by the validation date.

**3.26.3** Where project activities result in GHG emission reductions and/or removals that could be claimed by project stakeholders (e.g. farmers involved in the project accounting for the resulting emission reductions from reduced fertiliser usage in their GHG Inventory), the project proponent must have procedures in place to prevent double claiming of the GHG benefits delivered by the project.

## 3.26 Benefit Sharing Agreements

**3.26.1** Project proponents are required to establish benefit sharing agreements and plans with the local communities, whereby at least 10% of gross income generated through the sale of SCUs is invested back into the community<sup>9</sup>.

**3.26.2** The benefit sharing arrangements shall be appropriate to the context and consistent with applicable national rules and regulations.

**3.26.3** Any draft and final benefit sharing agreements and plans with the community(ies) must be shared in a form, manner, and language understandable to them.

**3.26.4** All benefit sharing agreements shall be publicly documented in the project description document in the appendix or uploaded as a separate document on the SOCIALCARBON registry.

**3.26.5** Project proponents must establish investment committees with at least 60% participation from elected members of the local communities.

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<sup>9</sup> At a minimum, projects must consider communities within the project area and at least 5 kilometers from the project parameter.

- 3.26.6** All decisions and investments agreed by the committee must be publicly documented in the respective monitoring report and mapped against relevant SOCIALCARBON indicators.
- 3.26.7** Validation/Verification Bodies are required to audit the benefit sharing agreements and investments claimed by the project proponent in the monitoring report.
- 3.26.8** Project proponents shall provide all relevant information to the Validation/Verification Body to facilitate the assessment of decisions and investments by the investment committee.

## 4. Validation and verification requirements

### 4.1 General Requirements

- 4.1.1** Validation and verification is a risk-based process and shall be carried out in conformance with ISO 14064-3 and ISO 14065. Additional requirements with respect to validation and verification are set out in this Section 4 and shall be adhered to.
- 4.1.2** The validation/verification body shall gather evidence to:
- 1) Validate a project to determine conformance with the SOCIALCARBON Standard rules and evaluate the reasonableness of assumptions, limitations, and methods that support a statement about the outcome of future activities, and/or;
  - 2) Verify a statement of historical data and information of a project to a reasonable level of assurance and ensure that the project meets the relevant materiality requirements.
- 4.1.3** The project shall be validated, and GHG statements of emission reductions or removals verified, by a validation/verification body that meets with the eligibility requirements set out in the *SOCIALCARBON Standard Guide*.



- 4.1.4** Validation and verification of the project may be undertaken by the same validation/verification body, noting the rules on rotation of validation/verification bodies set out in Section 4.1.23 below. Validation may occur before the first verification or at the same time as the first verification.
- 4.1.5** Where the project applies a methodology from an approved GHG program that does not have an independent validation step, the SOCIALCARBON Standard rules still require validation of the project.
- 4.1.6** The validation/verification body shall ensure that the project is listed on the project pipeline with a status of “Listed” before the opening meeting with the project proponent, such opening meeting representing the beginning of the validation process.
- 4.1.7** Validation/verification bodies are expected to follow the guidance provided in the *SOCIALCARBON Validation and Verification Manual* when validating or verifying projects and conducting methodology assessments under the SOCIALCARBON Standard.

### Validation and Verification Process

- 4.1.8** In addition to the requirements set out in ISO 14064-3:2019, the following requirements for validation/verification shall be applied:
- 1) The level of assurance shall be reasonable, with respect to material errors, omissions and misrepresentations, for both validation and verification.
  - 2) The criteria for validation shall be the latest version of the SOCIALCARBON Standard, or approved GHG program where the validation is performed under an approved GHG program (as in cases of participation under the SOCIALCARBON Standard and an approved GHG program). The criteria for verification shall be the latest version of the SOCIALCARBON Standard (regardless of the SOCIALCARBON Standard version or GHG program under which the project was validated). This means the validation or verification shall ensure conformance of the project with the SOCIALCARBON Standard rules, or rules and requirements of the approved GHG program, as applicable.
  - 3) The objective of validation or verification shall be in conformance with the SOCIALCARBON Standard rules and the methodology applied to the project.



- 4) The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals shall be five percent for projects and one percent for large projects.

- 4.1.9** A site visit that includes a visit to facilities and/or project areas shall be conducted at validation. Such a site visit shall be conducted at verification under the following circumstances:
- 1) The first verification of the project after validation;
  - 2) Verification of project baseline reassessments; and
  - 3) Verifications that assess a project description deviation where the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario.
- 4.1.10** In situations where a site visit to facilities and project areas isn't required according to Section 4.1.9, the validation/verification body shall assess independently whether a site visit is necessary. This assessment is guided by identifying the risk of a significant error or a failure to meet the audit criteria. In cases where it's determined that a site visit isn't necessary, the validation/verification body must substantiate and record the reasoning behind this decision.
- 4.1.11** Evaluation of the project's stakeholder engagement shall be done in a culturally appropriate manner, and individual stakeholders and/or stakeholder groups to be interviewed shall be selected by the validation/verification body's auditor team independently and, to the extent possible, in advance of the site visit. Validation/verification bodies shall plan and conduct interviews in a manner that demonstrates that the stakeholder interviews are free from bias or influence from the project proponent.
- 4.1.12** If the project does not adhere completely to the methodology, the validation/verification body will decide whether this signifies a methodology deviation or a methodology revision, adhering to the relevant specifications for each scenario, and proceed accordingly.
- 4.1.13** Where the project employs a revision to an approved GHG program methodology, and the version of the (fundamental) methodology referenced

by the methodology revision is now outdated, the validation/verification body will evaluate whether substantial alterations have occurred in the underlying methodology that could jeopardize the credibility of the methodology revision. If significant changes have indeed occurred, the project will not receive approval.

- 4.1.14** In instances where the project fails to meet the prerequisites for validation or verification, the validation/verification body will issue a negative validation opinion. They will furnish the validation or verification report and project description, or monitoring report, to SOCIALCARBON. The project will not qualify for registration until corrective measures are implemented, and the same validation/verification body has subsequently delivered a positive validation or verification.

## Competence

- 4.1.15** The validation/verification body and validation and verification team shall meet the competence requirements set out in ISO 14065.

## Validation and Verification Reporting

- 4.1.16** The validation body shall use the SOCIALCARBON Validation Report Template, an approved combined validation report template available on the SOCIALCARBON website. The validation report shall be accompanied by a validation representation, which shall be prepared using the *SOCIALCARBON Validation Deed of Representation Template*.
- 4.1.17** The verification body shall use the SOCIALCARBON Verification Report Template, an approved combined validation report template available on the SOCIALCARBON website. The verification report shall be accompanied by a verification representation, which shall be prepared using the *SOCIALCARBON Verification Deed of Representation Template*.
- 4.1.18** The verification report shall specify the number of GHG emission reductions or removals generated in each calendar year of the monitoring period.



## Validation and Verification Opinion

- 4.1.19** The validation report and the verification report shall contain a validation opinion and a verification opinion, respectively. Both reports must be uploaded by the project proponent onto the SOCIALCARBON Registry and made public.
- 4.1.20** Validation and verification opinions shall:
- 1) State the date the date of the opinion.
  - 2) State the name of project; the GHG statement subject to validation or verification, including the date and period it covers, and that the GHG statement is the responsibility of the project proponent(s).
  - 3) Identify the objectives, scope and criteria used to compile and assess the GHG statement.
  - 4) Describe whether the data and information supporting the GHG statement were hypothetical, projected and/or historical in nature.
  - 5) Describe the level of assurance of the validation or verification.
  - 6) Include the validation/verification body's conclusion on the GHG statement. Adverse, disclaimed, modified, or qualified opinions shall include a description of the reason(s) for the opinion, placed before the validation/verification body's conclusion
  - 7) Include the validation/verification body's conclusion on the GHG assertion, including any qualifications or limitations.
  - 8) For validation conclusions of the GHG statement of forecast of future emission reductions/removals, the GHG opinion shall explain that actual results may differ from the forecast as the estimate is based on assumptions that may change in the future.
  - 9) International Accreditation Forum accreditation body approved validation/verification body opinions shall include a declaration that the validation and/or verification of the GHG statement was conducted in accordance with ISO 14064-3. The applicable ISO version shall be included (e.g., ISO 14064-3; 2019).
  - 10) For AFOLU projects, state the version number of the non-permanence risk report or market leakage evaluation documentation upon which the opinion is based.
- 4.1.21** Verification opinions shall state the volume of GHG emission reductions or removals generated during the monitoring period that have been verified. For AFOLU projects, the verification opinion shall also include the non-

permanence risk rating, leakage emissions and number of GHG emission reductions or removals eligible to be issued as SCUs.

## Records of Validation and Verification

**4.1.22** The validation/verification body is responsible for maintaining all documents and records in a secure and easily retrievable manner for a minimum of two years following the conclusion of the project's crediting period, even if verification activities do not encompass the entire project crediting period.

## Rotation of Validation/Verification Bodies

**4.1.23** Rotation of validation/verification bodies is required in respect of validation and verification, as follows:

- 1) Validation, including the validation for project crediting period renewal, and the initial project verification within a given project crediting period can be conducted by the same validation/verification body. However, subsequent verifications must be carried out by a different validation/verification body. For instance, if validation and verification took place simultaneously, the next verification must involve a different validation/verification body. If validation was initially conducted separately, the initial verification can be performed by the same validation/verification body. Still, the subsequent verification must involve a different validation/verification body.
- 2) A validation/verification body is not allowed to verify a project's GHG emission reductions or removals for more than six consecutive years. Further verification can only be conducted by the same validation/verification body when a different validation/verification body has verified at least three years of the project's GHG emission reductions or removals. Additionally, if a validation/verification body verifies the final six consecutive years of a project crediting period, a different validation/verification body must undertake the project crediting period renewal validation.

## Validation and Verification Requirements for Grouped Projects

- 4.1.24** Validation and verification of grouped projects shall assess conformance of the project with the requirements for grouped projects set out in the SOCIALCARBON Standard rules.
- 4.1.25** New project activity instances shall be validated, based on the information reported in the monitoring report, against the applicable set of eligibility criteria. The validation/verification body shall specify which instances meet the eligibility criteria for inclusion in the project. Such validation may be reported in the verification report or a separate validation report.
- 4.1.26** Where, due to the number of project activity instances, it is unreasonable to undertake an individual assessment of each initial or new instance, the validation/verification body shall document and explain the evidence gathering methods employed for the validation of such instances. Such evidence gathering methods shall be statistically sound. The number of instances included in the project, eligible for monitoring and generation of SCUs shall be proportional to the percentage of sampled instances found to be in conformance by the validation/verification body.
- 4.1.27** The verification report for grouped projects shall document and explain the evidence gathering methods employed by the validation/verification body for the verification of the GHG statement of emission reductions or removals generated by the project. Such methods shall be statistically sound. Any subsequent changes to the evidence gathering method(s) required as a result of the verification findings shall be documented.

## Non-Permanence Risk Analysis and Market Leakage Evaluations for AFOLU Projects

- 4.1.28** Non-Permanence risk analysis and market leakage evaluations shall be assessed by the validation/verification body in accordance with the SOCIALCARBON Standard rules.
- 4.1.29** The validation/verification body shall assess the risk analysis carried out by the project proponent in accordance with the *SOCIALCARBON Standard document AFOLU Non-Permanence Risk Tool*. The project proponent shall respond to all and any of the validation/verification body's findings. As a

result of any such findings, the project proponent shall amend the documentation as necessary and update the risk rating accordingly.

# Appendix 1: Eligible AFOLU projects

## Afforestation, Reforestation and Revegetation (ARR)

Eligible ARR activities are those that increase carbon sequestration and/or reduce GHG emissions by establishing, increasing or restoring vegetative cover (forest or non-forest) through the planting, sowing or human-assisted natural regeneration of woody vegetation. Eligible ARR projects may include timber harvesting in their management plan. The project area shall not be cleared of native ecosystems within the 20 year period prior to the project start date<sup>10</sup>.

Where the project is exclusively focused on ARR (excluding agroforestry), 60% of the species planted must be native.

To be eligible for certification, species planted must have a minimum recorded lifespan of 60 years. If the species planted do not have a lifespan of 100 years, the project must calculate the long-term net carbon benefit of the project, and this will be the limit of Social Carbon Units that can be issued by the project. In addition, the project must plan for and implement re-planting at the end of the species' lifespan to ensure the maintenance of the carbon stocks. The same native species must be re-planted. The species lifespan recorded by the project must be evidenced with at least two sources of peer-reviewed literature or government-published reports.

Harvesting of the species is permitted, but projects must calculate the long-term carbon average of the project. In addition, the project must plan for and implement procedures to ensure maintenance of the long-term carbon average benefit of the project for a 100-year period.

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<sup>10</sup> An exemption to this requirement exists if the project proponent can provide conclusive evidence that the conversion of native vegetation in the past 20 years was solely by local communities for sustenance and not commercial purposes, or was conducted by actors with no relationship to the project proponent or landowner (e.g., via community surveys or law enforcement records), or the prior clearing was the result of natural disturbances such as fires, hurricanes, or floods (e.g., using aerial imagery).

## Agricultural Land Management (ALM)

Eligible ALM activities are those that reduce net GHG emissions on croplands and grasslands by increasing carbon stocks in soils and woody biomass and/or decreasing CO<sub>2</sub>, N<sub>2</sub>O and/or CH<sub>4</sub> emissions from soils. The project area shall not be cleared of native ecosystems within the 10-year period prior to the project start date. Eligible ALM activities include:

- 1) Improved Cropland Management (ICM): This category includes practices that demonstrably reduce net GHG emissions of cropland systems by increasing soil carbon stocks, reducing soil N<sub>2</sub>O emissions, and/or reducing CH<sub>4</sub> emissions.
- 2) Improved Grassland Management (IGM): This category includes practices that demonstrably reduce net GHG emissions of grassland ecosystems by increasing soil carbon stocks, reducing N<sub>2</sub>O emissions and/or reducing CH<sub>4</sub> emissions.
- 3) Cropland and Grassland Land-use Conversions (CGLC): This category includes practices that convert cropland to grassland or grassland to cropland and reduce net GHG emissions by increasing carbon stocks, reducing N<sub>2</sub>O emissions, and/or reducing CH<sub>4</sub> emissions.

## Wetlands Restoration and Conservation (WRC)

Eligible WRC activities are those that increase net GHG removals by restoring wetland ecosystems or that reduce GHG emissions by rewetting or avoiding the degradation of wetlands. The project area shall meet an internationally accepted definition of wetland, such as from the IPCC, Ramsar Convention on Wetlands, those established by law or national policy, or those with broad agreement in the peer-reviewed scientific literature for specific countries or types of wetlands. Common wetland types include peatland, salt marsh, tidal freshwater marsh, mangroves, wet floodplain forests, prairie potholes and seagrass meadows.

Activities that generate net reductions of GHG emissions from wetlands are eligible as WRC projects or combined category projects. Activities that actively lower the water table depth in wetlands are not eligible. Eligible WRC activities include:

- a) **Restoring Wetland Ecosystems (RWE)**: This category includes activities that reduce GHG emissions or increase carbon sequestration in a degraded wetland through restoration activities. Such activities include enhancing, creating and/or

managing hydrological conditions, sediment supply, salinity characteristics, water quality and/or native plant communities. For the purpose of these requirements, restoration activities are those that result in the reestablishment of ecological processes, functions, and biotic and/or abiotic linkages that lead to persistent, resilient systems integrated within the landscape.

- b) **Conservation of Intact Wetlands (CIW)**: This category includes activities that reduce GHG emissions by avoiding degradation and/or the conversion of wetlands that are intact or partially altered while still maintaining their natural functions, including hydrological conditions, sediment supply, salinity characteristics, water quality and/or native plant communities.

Wetland degradation or conversion can be planned (designated and sanctioned) or unplanned (unsanctioned). Planned and unplanned degradation or conversion of wetlands can therefore encompass a wide variety of activities such as those listed under conservation-based activities while adding a wetland component. Activities covered under the CIW project category are those that are designed to stop or reduce planned or unplanned degradation or conversion in the project area to other land uses. The following CIW activities are eligible:

- a) **Avoiding Planned Wetland Degradation (APWD)**: This activity reduces GHG emissions by avoiding degradation of wetlands, or further degradation in partially drained wetlands that are legally authorized and documented for conversion.
- b) **Avoiding Unplanned Wetland Degradation (AUWD)**: This activity reduces GHG emissions by avoiding unplanned degradation of wetlands, or by avoiding further degradation in partially degraded wetlands.

## Appendix 2: document history

Version	Date	Comment
V6.0	3 January 2022	New version of the SOCIALCARBON Standard
V6.1	30 June 2023	<p>Updates include:</p> <ul style="list-style-type: none"> <li>• Additional safeguards</li> <li>• Formatting updates</li> <li>• Clarity on methodology grace periods</li> <li>• ARR requirements</li> </ul>
V6.2	19 April 2024	<p>Updates include:</p> <ul style="list-style-type: none"> <li>• Addition of benefit sharing agreement requirements.</li> <li>• Addition of double claiming and scope 3 emissions.</li> <li>• Addition of non-permanence monitoring requirements.</li> <li>• Minimum project forecasted duration of 50 years.</li> <li>• Inclusion on requirements for Grouped projects setting their geographical boundary.</li> <li>• Inclusion of requirement to re-assess additionality at the end of the crediting period.</li> <li>• Updates to stakeholder consultation requirements.</li> <li>• Addition of safeguarding requirements.</li> </ul>