

SOCIALCARBON® Standard

Additional information for auditors of SOCIALCARBON Reports

1. Frequent Asked Questions

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Which are the requirements for becoming an accredited SOCIALCARBON certifier and how is the process?

- The Ecologica Institute does not have an accreditation procedure for auditors of the SOCIALCARBON Reports.
- If your organization intends to audit a SOCIALCARBON Report, please fill the attached *FORM II - Certifying Entities* identifying the contact person responsible for SOCIALCARBON certification activities and e-mail it to: info@socialcarbon.org
- We will require you to send us the first draft Validation Report to make sure it complies with the SOCIALCARBON Standard criteria.
- After the first successful validation your organization will be listed as one of Certifying Entities for SOCIALCARBON at: <http://www.socialcarbon.org/Developers/Certifying-Entities/>
- There are no costs involved.

Who can validate and verify SOCIALCARBON Reports?

The validation and verification of SOCIALCARBON Reports is an independent process from the Project Design Document - PDD (carbon accounting). D.O.Es accredited by the UNFCCC are recommended because they are familiar with the context of carbon projects and can complete the validation and verification procedure both for the PDD + SOCIALCARBON Reports at the same time. Although other types of certifying entities might be accepted by the SOCIALCARBON Standard with prior approval.

****NOTE:** An auditor cannot validate or verify a SOCIALCARBON report that he/she has played a role in elaborating**

In terms of capacity of the auditor team, usually the D.O.Es involve two different auditors in the process, one for the Project Design Document (carbon accounting) and one for the SOCIALCARBON Report. This is not a requirement of the Standard, but Certifying Entities prefer to work this way for two main reasons:

- to save time during the validation process;
- SOCIALCARBON Reports are more similar to Sustainability Reports than Project Design Documents and auditors with experience in certifying ISO 14.000 or sustainability reports are more efficient in certifying SOCIALCARBON Reports than those involved in the CDM process.

Example of assessment for Hydropower plants projects contained in the SOCIALCARBON Report:

4.1. Social Resources
1. Population displacement and activities: Evaluates the need of people's displacement during the project implantation, just as the adopted procedures in order to avoid negative impacts and maximize the positive ones.
Observations It wasn't necessary to replace the population. The power plant implantation resulted in a water reservoir of 1,2 km ² . Nineteen small rural properties were affected, but the Environmental Impact Studies defined the land loss as small, when compared to the land that is still available to the agricultural activities. Only 3 low quality buildings were affected. The nineteen rural owners were indemnified due to his losses. According to the collaborators information, there weren't any important conflicts during the negotiation process with the owners. A letter regarding the affected properties was elaborated, and it is available in the Annex 1 of this report.
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Which are the methods for proceeding with validation or verification of SOCIALCARBON Reports?

When we first contact D.O.Es to certify SOCIALCARBON Reports, both TUV Nord and Bureau Veritas stated that there was no need to establish a specific procedure for auditors, since they already had internal procedures for auditing Sustainability Reports that could be applicable for SOCIALCARBON.

For this reason certifying entities are free to develop their own methods for auditing SOCIALCARBON Reports including the Validation/Verification Report format. Example of different methods for validation/verification of SOCIALCARBON Reports:

TUV Nord: uses a specific questionnaire (check list) for collecting evidence and open Requests for Clarifications:



Example of the check list:

<i>Human Resources</i>							
<i>N°</i>	<i>Indicator</i>	<i>Observation in loco</i>		<i>Documentation</i>		<i>Questions to be made in loco</i>	<i>Evidences</i>
10	Capacity building program	No		Capacity building plans and programs		Is there a capacity building program? Is there a specific budget for capacity building? Capacity building courses offered in the last year include all workers or just administrative body?	

Example of the Request for clarification:

CAR 06 During the site visit It was not evidenced a systemic approach of the system management. Please correct the indicator.	SCR/ Section 4 Indicator 19	As described in SCR, the enterprise does not have a management system implemented.	SCR/ Section 4 Indicator 19	The question was clarified. OK. CAR is resolved.
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Bureau Veritas: Checks indicator by indicator if the information provided is true; if the indicator have the right score; and if there are any perspectives of improvement.



Example of Validation Report:

27. Emissions to the Atmosphere: It evaluates the control over the atmospheric emissions involving the gases emitted during the productive process, except the greenhouse gases	
Comments	Information on this indicator was verified and confirmed
Index	Grade 2 (two) represents the present status of this indicator.
Perspectives	During the interview, the company's representative stated there are no perspectives concerning the improvement of this indicator.

Nevertheless, Certifying Entities should evaluate at least if the:

- Report submitted contains all information required by the Template and guidance for elaborating SOCIALCARBON Reports;
- Information disclosure in each indicator is relevant and truth;
- Score is in accordance with the scenarios described in the approved indicators selected for the project;
- If the continual improvement criteria has been accomplished during verification periods.

If your organization will need us to elaborate a more specific procedure, please contact:

cecilia@socialcarbon.org or info@socialcarbon.org

Which are the relevant documents and guidance used during the auditing process of SOCIALCARBON Reports?

- **Guidance for completing SOCIALCARBON Reports, Version 3**
(http://www.socialcarbon.org/uploadDocs/Documents/GuideforCompletingSCRv3_en.pdf)
- **SOCIALCARBON approved indicators:** Project developers may choose between one of the approved indicators listed in our website (<http://www.socialcarbon.org/Documents/>)

We also recommend you to check the following documents for a better comprehension of the process:

- **SOCIALCARBON Standard**
(http://www.socialcarbon.org/uploadDocs/Documents/SOCIALCARBON_STANDARD_v.4.1.pdf)
- **PowerPoint - SOCIALCARBON: Criteria and procedures for certification**
(http://www.socialcarbon.org/uploadDocs/Documents/SOCIALCARBON_Standard.ppt)

Scope of the auditing process

Auditors of SOCIALCARBON Report should assess and/or require evidence only for the information explicitly mentioned, described or required in the indicator.

Since SOCIALCARBON is a holistic assessment that takes in to account six project's aspects: social, human, natural, biodiversity, financial and carbon. The auditing process must be limited to the information explicitly required or described in the indicator or else the scope of validation becomes "virtually unlimited". This decision was taken to avoid that SOCIALCARBON audits became:

- An auditing process for other issues not related or relevant to the carbon project, such as: fiscal, salary, social security or confidential information.
- A never ending process due to the need to demonstrate conformity with all the existent laws applicable for social, human, natural, financial, biodiversity and carbon issues.

How should I proceed when collecting information and evidence to score indicators?

The collection of information and evidence to score indicators **should be done preferable through:**

- a) **Group Work:** Participatory meetings with representatives from the stakeholders involved in the project. The meeting is coordinated by a responsible professional whose function is orientating the participants to discuss the aspects included in the indicators. The results of the meeting ought to be compiled, and valued according to the indicators.
- b) **Interviews:** Key informers may be interviewed in a semi-structured way, aiming to indirectly obtain information concerning the six resources of SOCIALCARBON. The results of the interviews ought to be registered, compiled and valued according to the indicators.
- c) **Questionnaires:** Responsible professionals may apply questionnaires to key informers of the project in order to gather information. The results of the survey ought to be registered, compiled and valued according to the indicators.

The person responsible for collecting information or auditing the indicators may select one method or combine several to obtain the best results.

Other **physical and documented evidence might be required** to evidence information provided in the SOCIALCARBON Report. Each indicator provides a list of examples of evidences that could be collected. Not all of the many documents described in the indicators need to be checked or available for the auditing process, only those documents necessary to support or verify the audit evidence for the information that is disclosed in the indicator.

Example:

<i>Indicators</i>	<i>Description</i>	<i>Method of evaluation/Obtaining evidence</i>
<i>Population Displacement</i>	<i>Evaluates if the project requires people, activities or services to be displaced due to the implementation of the project, as well as the measures adopted during the planning and implementation stages, in order to minimize negative impacts or maximize positive impacts.</i>	<i>- Interviews, questionnaires or meetings: testimony from local stakeholders.</i> <i>- Physical evidence: i.e. site visit or pictures.</i> <i>- Documentation: Environmental Impact Studies - EIA; Resettlement plans and compensation program; Mitigation / compensation / enhancement plans or programs; etc.</i>

Indicator	1	2	3	4	5	6
<i>Population Displacement</i>	<i>Families and activities located in the project area have no compensation due to their displacement.</i>	<i>Relocation, displacement and mitigation programs exist for such families and activities. However, the program does not ensure reestablishment of quality of life enjoyed prior to displacement.</i>	<i>Only legal owners of properties are compensated.</i>	<i>All families and property owners are correctly relocated, including those who do not possess formal title the land.</i>	<i>Participatory Relocation Program, including negotiations with different actors (owners, public agencies, and civil society organizations).</i>	<i>There is no need to displace families or other activities.</i>

Information disclosed in the SOCIALCARBON Report: Only legal owners of properties are compensated.

Evidence collected:

- Interviews, questionnaires or meetings: testimony from local stakeholders.*
- Documentation: compensation program.*

Some indicators clearly states that physical and documented evidence is not required and testimonies from local stakeholders are enough to verify the audit evidence for the information that is disclosed in the indicator.

Example:

P - Capacity of local organization(s)	Evaluates the institutional capacity of local organizations responsible for developing and implementing the plan for additional actions to benefit local stakeholders.	<ul style="list-style-type: none"> - Interviews, questionnaires or meetings: testimony from local stakeholders. - Physical evidence: not required. - Documentation: not required. <p>Note: testimonies from stakeholders are enough to verify the audit evidence for this indicator.</p>
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Regarding the SOCIALCARBON Report, should it be reviewed by the SOCIALCARBON team, after validation?

No.

Is there any public consultation that should be done?

No public consultation is required.

What happens if during the auditing process the auditor realizes that one of the indicators is incorrect; not possible to audit or the objective of the indicator is not clear?

During the validation process (first audit of the SOCIALCARBON Report) is common that certifying entities ask for some changes in the indicators, because:

- **Some indicators can not be audited:** There is no way to evidence the information required by the indicator, for example:
 - *Impact of the switching fuel (forest wood to renewable biomass) project on reducing deforestation rates in the region.*
 - The fact that the project owner stopped using forest wood might have a positive impact on reducing deforestation, although evidencing this type of information is unfeasible, since is very hard to prove that deforestation rates are really decreasing due to the project owner's initiative.
- **Collecting evidence for the indicator is possible but not feasible,** for example:
 - Usually indicators that contain the words "all", "none" or "never" suit this category, for example: All employees are satisfy with the benefits offered or none of the employees work in risk situations.

If the certifying entity asks for changes in the indicators, the project developer must submit the indicators reviewed to the Ecologica Institute for approval.

What happens if a project developer cannot demonstrate continual improvement of Project performance?

If the continual improvement is not confirmed during verification, according to the SOCIALCARBON Standard the auditor must:

"[...] communicate the project proponent and the Ecologica Institute. The project proponent will:

- a) Receive a notification of irregularity, pointing out the breaches and the deadline for adjustment.*
- b) After the notification of irregularity the project developer may submit a proposal to reform the situation, left to the discretion of the Instituto Ecológica, through the SOCIALCARBON Team, decide on the relevance of the proposal.*
- c) The lack of proposal within the time limit, or the rejection of the proposal presented will authorize the Instituto Ecológica to suspension of the SOCIALCARBON certification for the project, in a temporary or permanent basis. [...]" (SOCIALCARBON Standard)*

When the suspension of the SOCIALCARBON certification for the Project occurs, the Ecologica Institute communicates the SOCIALCARBON Registry, manage by Markit (<http://www.markitenvironmental.com/social.php>) to do not authorize further registrations of SOCIALCARBON units for the project.

Only credits issued to the Project prior to the information sent to Markit may continue with the SOCIALCARBON certification, but the project will not be able to issue SOCIALCARBON units for the next periods. For the next verification period, the Project may continue to issue VERs, but they will not have the additional SOCIALCARBON certification anymore.

Is there a direct correlation between SOCIALCARBON and VCS Standards validation and verification process?

SOCIALCARBON must be always used in conjunction with a carbon accounting Standard, because it only establishes criteria for monitoring co-benefits and does not have criteria for carbon accounting, such as additionality or baseline and monitoring methodologies for emission reductions. Usually project developers use SOCIALCARBON + VCS, but SOCIALCARBON could be used with others carbon accounting Standards such as CAR or CDM. Nevertheless, the validation and verification of SOCIALCARBON Reports is an independent process from the Project Design Document - PDD.