CERCARBONO
Certified Carbon Standard

# **Safeguarding Principles and Procedures** of Cercarbono Certification Programme

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**Version 2.0**

® CERCARBONO

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## Acronyms and abbreviations

| | |
|---|---|
| **CBD** | Convention on Biological Diversity |
| **CCMP** | Climate Change Mitigation Program or Project |
| **CITES** | Convention on International Trade in Endangered Species of Wild Fauna and Flora |
| **CMS** | Convention on the Conservation of Migratory Species of Wild Animals |
| **FPIC** | Free, Prior and Informed Consent |
| **GHG** | Greenhouse Gases |
| **ILO** | International Labour Organization |
| **IPCI** | Indigenous Peoples and Communities Initiative |
| **ISO** | International Organization for Standardization |
| **NGO** | Non-Governmental Organization |
| **NIT** | International Labour Standards |
| **PDD** | Project Description Document |
| **PESTEL** | Political, Economic, Social, Technological, Environmental and Legal Analysis |
| **REDD+** | Reducing Emissions from Deforestation and Forest Degradation and other actions in this sector |
| **SWOT** | Analysis of Strengths, Weaknesses, Opportunities, and Threats |
| **UNCCD** | United Nations Convention to Combat Desertification |
| **UNFCCC** | United Nations Framework Convention on Climate Change |
| **UNFF** | United Nations Forum on Forests |
| **VVB** | Validation and Verification Body |

# 1 Introduction

Within the international context, the undeniable relationship between environment and human rights has been recognized, understood as the fact environmental impacts and climate change effects may affect effective enjoyment of human rights, as ruled by the Inter-American Court of Human Rights in the case of Kawas Fernández vs. Honduras on April 3rd, 2009.

As referred to a special protection group such as the ethnical peoples, the same Inter-American Court of Human Rights has recognized such undeniable relationaship between a healthy environment and the protection of human rights considering for example, that the colective property rights of such peoples is linked to the protection and access to natural resources existing in the peoples' territories, as such resources are necessary for their survival and the way of life those peoples opted for, as the Inter-American Commission of Human Rights has established in consultive opinion OC-23/17.

In that same sense, the International Tribunal for the Law of the Sea in its consultive opinion about marine environment and climate change emphazised about the understanding of the right to a clean, healthy and sustainable environment as a human right.

Recently, the European Court of Human Rights, when ruling in the case of VereinKlimaseniornnen Schweiz and others Vs Switzerland was emphatic when ruling climate change is likely to affect Human Rights, adding that it is an urgent matter that requires to be addressed in the shortest possible time.

Is regarding this scenario and background that this document has been developed.

The social and environmental safeguards in the context of Cercarbono's voluntary certification standard are policies aiming to protect the people and the environment against the risks that could be posed by the implementation of Climate Change Mitigation Programs or Projects (CCMP). Such safeguards are directed to make more effective the projects' transparency and effectiveness through a full and effective participation of the parties, grounded on the respect for traditional and ancestral knowledge.

Thus, they are policies to prevent, minimize, mitigate or manage the adverse impacts affecting the environment and society, associated with the implementation of a CCMP. Its application also promotes biodiversity conservation while ensuring the provision of ecosystem-related services.

At the international level, different safeguards have been designed to guarantee human rights, promoting environmental sustainability and protecting social groups[1] (giving special consideration to respecting and applying norms considering the cultural context, territorial scopes, and other particular special protection features related to indigenous communities, Afro-descendants, peasants, local communities or settlers, among others), where CCMPs are developed.

Is in this context, as well as under the framework of the Conference of the Parties (COP-16) held in Cancun, Mexico in 2010, where a common global safeguards framework was established for projects aiming to Reducing Emissions from Deforestation and Forest

[1] Referring this way throughout the document, the groups and individuals forming part of them.

Degradation and other actions in that sector (commonly referred to as REDD+ mechanism, or simply "REDD+"). This framework includes 7 safeguards to address potential social and environmental risks related to the development of CCMP activities, protecting the rights of communities, as well as their territories. These safeguards can be divided into three categories:

- Institutional safeguards;
- Social and cultural safeguards; and
- Environmental and territorial safeguards.

The REDD+ mechanism, for a proper operation, requires the countries where the CCMPs are developed making an interpretation of such safeguards and establishing a regulatory framework that guides the design of national strategies, according to their circumstances and capacities, ensuring the implementation of such national safeguards.

A careful application of the safeguards allows, in the territories where the CCMPs are developed:

a) Guaranteeing respect for and the rights of social groups, including indigenous peoples and local communities, without being limited only to them;
b) Ensuring natural resources' conservation; and
c) Maximizing the benefits and reducing the risks arising from the implementation of activities developed by the CCMPs.

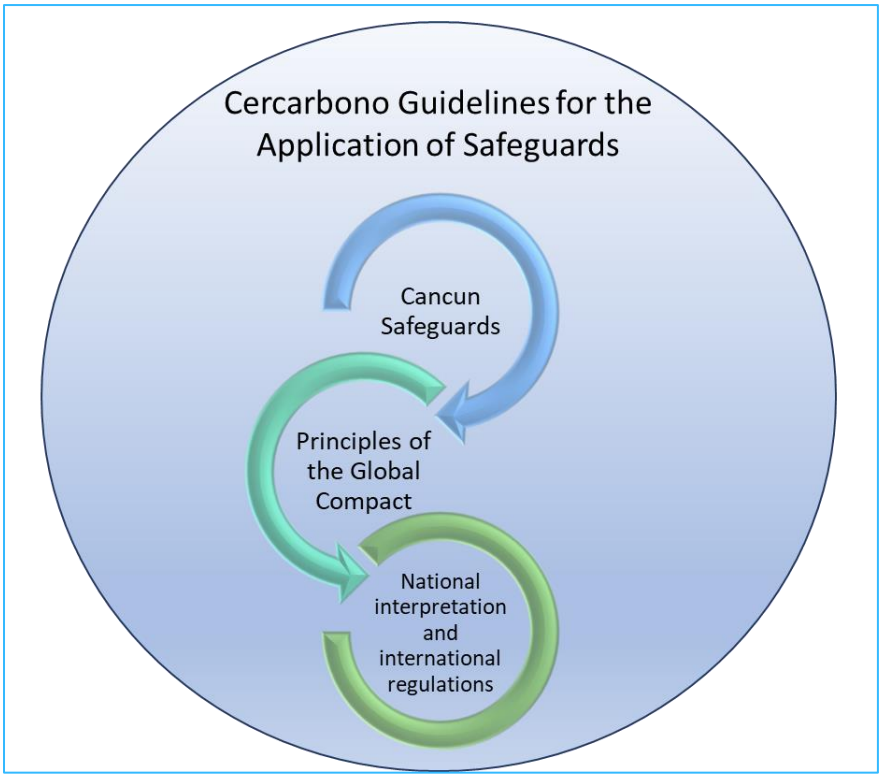
Therefore, the safeguards are designed to achieve the objectives of climate change mitigation following the sustainable development principles, in harmony with the environment, and promoting the social development of the human groups that inhabit and/or take advantage of and take care of the natural resources in the areas in which the CCMPs are implemented or have impacts.

This achieves an alignment between mitigation objectives, legal and regulatory compliance in all aspects (environmental, labor, protection of human rights and respect for indigenous peoples, and other complementary or related laws and regulatory provisions or territorial scope), and a contribution to achieving the sustainable development goals.

These safeguards are aligned with the principles of the United Nations Global Compact, and reflect the commitment of companies that adhere to these standards, to implement and maintain an approach based on these principles for their operation, as is the case with Cercarbono.

In this way, and recognizing the importance of safeguards, Cercarbono has developed the following guidelines based on the provisions of Cancun's COP-16 and in consistency with the principles of the Global Compact (see ***Figure 1***), to ensure their application by CCMPs. In addition, it reaffirms Cercarbono's commitment to ensure its application in any country its activities are carried out at, especially those involving social groups in its design or implementation, such as CCMPs related to the land use sector (REDD+, Reforestation, Agricultural Crops Woody, among others). Likewise, its scope is extended to those CCMPs in other sectors that may have a significant impact on ecosystems, indigenous groups and local communities, such as large infrastructure projects.

**Figure 1.** Relationship diagram of the application of safeguards within Cercarbono's regulatory framework, based on the provisions of the COP-16 in Cancun, with an expanded scope in accordance with the principles of the UN Global Compact.




Cercarbono has as an operating principle, respect for human rights, extended to all participants in its activities-, services-, and products-value chain, reflecting such political commitment in its Corporate Social Responsibility document[2] which, along with compliance with the rest of the guiding principles, in the case of projects participating in the standard, translates into various obligations to be fulfilled by the participants (holders, developers, service providers, among others).

Thus, it is mandatory for the CCMPs participating in Cercarbono to carry out a ***due diligence process***, aligned with the principle of ***no net damage*** incorporated in Cercarbono's regulatory framework. This process must include, in a prominent way, compliance with safeguards related to human rights, when their activities involve, interact, or constitute risk factors that may generate potential negative impacts on social groups, including indigenous peoples and communities, on land areas or the environment. The above must be done by guaranteeing the completion of the process for obtaining ***Free, Prior and Informed Consent (FPIC)*** through adequate and complete communication, consideration of opinions, complaints and views, both from the cultural context of the participating indigenous peoples and local communities, as well as from those which could experience negative impacts from the CCMP implementation., including in such process adequate disclosure and information about the results of the potential risk of negative impacts analysis and management, related to such safeguards. Based on the above, risks are also calibrated in terms of human rights,

[2] Available at www.cercarbono.com.

from the CCMP design stage and during its implementation, based on a risk mitigation plan aimed at preventing and mitigating negative consequences on human rights and other aspects, which must also be established by the CCMP when filling out and signing the ***Sustainable development and Safeguards Focus Areas Compliance Statement*** form. Finally, all of the above, as well as the full and effective participation of potentially affected groups through substantive consultations, must be validated by the Validation and Verification Bodies (VVB) linked to each CCMP.

Cercarbono will make publicly available the CCMPs validation, verification, and monitoring reports, where the measures against negative impacts on human rights and other issues will be communicated, as well as their implementation status and results, which will be assessed at each new verification event to comply with and enforce the due business integrity check, effective follow-up and information disclosure duty. The company will proactively inform relevant actors about such availability and the progress of the project in the certification cycle, monitoring compliance with the measures established for prevention, mitigation or remediation of negative impacts by the participants, all of the above within the framework of the applicable legal framework, which includes both national and international legislation and norms related to the respect of human rights.

In the verification events carried out in order to obtain carbon credits, the CCMP must integrate into the monitoring report the actions and information related to the risk mitigation plan progress and application results, as well as necessary adjustments or changes to it to ensure proper application of applicable safeguards. all of this will be assessed by the VVB.

## 2 Principles

CCMPs applying these guidelines should comply with and refer to the relevant principles and how they have been applied according to the current version of the ***Cercarbono's Protocol*** available at www.cercarbono.com, section: Documentation.

In order to comply with the safeguards, the CCMP must fundamentally comply with the principle of ***Not generating net damage***, ensuring that the subject mitigation activity does not cause damage in environmental, social and economic terms to the areas or communities present in the areas where its proposed activities are carried out, in such a way as to ensure:

- The protection of human rights and/or the rights of indigenous peoples and other social groups present in the area of implementation of the CCMP (including the right to express ***Free, Prior and Informed Consent (FPIC)*** and the right to land ownership and tenure).
- The use, conservation or sustainable management of biological resources (ecosystems, including flora and fauna) without generating or adequately compensating for negative impacts on the environment.
- Good governance and recognition of the governance structure, which, in any case, must adhere to the legislation and legal norms applicable to the particular context of the relevant actors of the CCMP, in particular indigenous peoples and local communities.
- Inclusive and equitable participation in decision-making.
- The implementation of participatory and consultative mechanisms at the global level that complement those established for the implementation of the FPIC process, at different stages of the Cercarbono certification cycle, ensuring from the CCMP design and

throughout its full operational life, there will be the possibility of expressing opinions, complaints or other expressions related to such CCMP. These mechanisms are divided into those operated by the CCMP, and the mechanisms established by Cercarbono ensuring that the message is communicated to the relevant parties and a response is provided to all of them, establishing the appropriate actions which will be incorporated into the operation of the CCMP from that point on, as applicable (see ***Section 6.2***).

The foregoing must be implemented in accordance with the principles of **pertinence** of **completeness** and **transparency**, consistent with those established in the current version of ***Cercarbono's Protocol***, which in the case of the application of safeguards can be framed within the ***Due diligence process*** (see ***Section 5***).

The operation of the CCMP, understood as an operational unit, shall be aligned with the principles of the UN Global Compact, which in turn is aligned with, and includes considerations regarding the UN Guiding Principles on Business and Human Rights[3]:

- **Human rights:** the CCMP must promote, respect, protect and guarantee the human rights of each person with whom it interacts in its value chain, ensuring that there are no conducts, attitudes or omissions that cause the abuse of such rights. These rights are inalienable and must be recognized and respected by all actors in the CCMP.
- **Workplace:** the CCMP must ensure the protection of workers, equal opportunities, safety and health at work, the continuity of the employment relationship, the inalienability of labour rights, the prohibition of forced or child labour, or work carried out by trafficked persons and must recognise and respect the right to collective bargaining.
- **Environment:** the CCMP must make rational, preventive, and responsible use of natural resources and conserve biodiversity, through the planning and development of sustainable implementation models, promoting greater environmental responsibility and the use and communication of environmentally friendly technologies.
- **Fight against corruption:** the CCMP should promote and strengthen measures to effectively and efficiently prevent and combat corruption in all its forms.

# 3 Scope

These guidelines are applicable to all CCMPs participating in Cercarbono, especially in the land use sector, which aim to obtain certified GHG reductions or removals, resulting from its implementation.

Their compliance is aligned with the Cancun safeguards and the objectives of the United Nations Global Compact. Below are the 7 safeguards[4] the CCMP must consider at a minimum, grouped into three categories:

[3] Available at: unglobalcompact.org/what-is-gc/mission/principles.
[4] Interpretation to the safeguards in each country may vary, so that their number is maintained or increased. These guidelines are in line with the seven ones initially generated at COP-16, but they complement the objectives of the United Nations Global Compact so that their compliance corresponds to the sectoral area(s) in which the CCMP is developed.

- **Institutional:**
  1. Consistency with international agreements and national regulations.
  2. Governance structures recognition of.
- **Social and cultural:**
  3. Respect for traditional knowledge and human rights, which support compliance with (as applicable):
     - Human rights (including the workplace).
     - Territorial or collective rights.
     - Rights for protection of traditional knowledge.
     - Free, Prior and Informed Consent (FPIC).
  4. Full and effective participation.
- **Environmental and territorial:**
  5. Conservation or management of natural resources (including biological biodiversity).
  6. Measures for the prevention and management of reversal risks.
  7. Measures to prevent the displacement of GHG emissions.

As the application of safeguards varies according to the programme or project activities and the sectoral area(s) in which the CCMP is classified, the particular situation of each CCMP should be analyzed and the corresponding safeguards applied, and in the case of those considered as "**not applicable**", adequate justification shall be provided for such consideration, for each one in such case in the ***Sustainable development and Safeguards Focus Areas Compliance Statement***, available at www.cercarbono.com, section: Documentation. It is a statement in which the initiative's holder declares and commits to applying and complying with the safeguards and guidelines herein established.

# 4 Safeguards

The application of safeguards according to the type of CCMP and the characteristics of each safeguard are conceptually described in the following sections, with a structure based on the provisions of COP-16 in Cancun, and the objectives of the United Nations Global Compact.

It must also be fully aligned with the national interpretation of the safeguards' application and comply with applicable national and local laws and regulations, in accordance with the activities and nature of the CCMP and the location or territorial scope it is implemented in, and other related provisions, as well as with applicable international regulations, generally in the form of international agreements.

## 4.1 Institutional safeguards

The application of these safeguards aims to ensure that the CCMP considers in its design and implementation, the current national and international regulations related to respect and protection of applicable social, cultural, environmental and financial rights. In addition, it implies the recognition of governance structures, allowing the objectives of the CCMP (especially in the land use sector) to be aligned with the territorial planning and management instruments applicable in the areas it is implemented in.

### 4.1.1 Consistency with international agreements and national regulations

The CCMP must be aligned with international agreements related to the sector in which it is implemented. As such, it must consider the applicable regulatory framework of the country it is located in. Therefore, it must carry out a thorough analysis of these agreements and regulations to ensure it is designed and implemented based on them.

This analysis must be included in the PDD and in the monitoring reports through a compliance matrix, where the articulation of the applicable agreements and regulations is evidenced.

The CCMPs must comply with all environmental and social laws applicable to the context in which they are developed.

In addition, the CCMP during its implementation shall perform necessary adjustments or updates to related to changes or adjustments to the agreements or regulations in force.

### 4.1.2 Recognition of governance structures

The application of this safeguard corresponds exclusively to CCMP (such as the land use sector), in which its scope involves social groups acting directly either as holders or co-holders of it.

The holder or developer must identify and respect the existing governance structure of each of the social groups directly involved in the CCMP implementation area, verifying that its objectives are in accordance with the existing planning and territorial management instruments for these groups, and that said structure meets the legal requirements and considers the cultural context in its formation.

In line with Cercarbono's Official Statement No. 5: “Analysis of governance, land ownership and legal representation of collectively owned territories in REDD+ projects”, the governance structure shall be compiled in a document called ***Governance Analysis*** (specifically applicable to CCMPs involving social groups) which considers and is not limited to:

- Identification and geographical location of social groups (indigenous, Afro-descendant, peasant communities, among others).
- Description of the land ownership regime of the areas where social groups are located.
- Identification of the current governance structure established by the social group(s), including its composition, participants and roles.
- Identification and demonstration of powers of the legal representative or traditional authority, consistent with the previous items, officially valid and current in the jurisdiction in which the CCMP is implemented at the time of entering agreements, contracts or other forms of association related to such implementation, in its capacity as legal representative or authority.
- Decision-making process, establishing that the person(s) acting on behalf of the indigenous community or people is(are) empowered to do so in accordance with the provisions of the previous item.

## 4.2 Social and cultural safeguards

The application of these safeguards guarantees that the development of the activities generated by the CCMP is carried out in an inclusive, fair and respectful manner (especially when it involves social groups), highlighting respect for human rights, the preservation of local culture, and ensuring that the benefits and opportunities generated by the CCMP are known, agreed upon, and equitably distributed. In addition, effective participation and respect for traditional knowledge and customs must be ensured, strengthening the legitimacy and acceptance of the CCMP and, therefore, its long-term sustainability by creating an environment of trust and collaboration between CCMP participants and/or local communities (if they are integrated into the CCMP).

### 4.2.1 Respect for traditional knowledge and human rights

All CCMPs must guarantee respect for traditional knowledge and human rights of the population or social groups present in the areas where they implement their activities, including indigenous peoples and local communities, ensuring the application of this safeguard, considering following elements (as required):

#### 4.2.1.1 Human rights

The CCMP must ensure that its activities respect human rights, avoiding any deterioration of them and, if possible, improving the situation related to them through its implementation, in its area of influence.

Although there are several international human rights instruments, the classification and description established by the United Nations is herein followed, for those in which the CCMPs could have influence through their operation or integration of actions around the carbon credits-generating activity, therefore supporting their compliance, such as:

- **Adequate food:** the right of every human being to eat with dignity. It is the right to have continuous access to resources that will allow them to produce, earn or be able to buy enough food, and not only to prevent hunger but also to ensure health and well-being, so the CCMP must avoid negative impacts on the diet of indigenous peoples or local communities.
- **Decent housing:** the right of every human being to have a safe home in which he or she can live in peace and dignity, enjoying space, security, lighting and ventilation, basic infrastructure and an adequate situation, as related to work and basic services, as well as to the cultural context of the inhabitants, at a reasonable cost, which must be observed in the event the CCMP implementation incorporates additional construction and/or housing improvement actions.
- **Access to water and sanitation:** a right that has a fundamental role in the daily life and environment of every human being. It implies the right to quality water in sufficient quantity and to adequate means of sanitation to prevent diseases and thus preserve the quality of water resources, so the CCMP must avoid any negative impact on the sources of supply and the quality conditions of the water due to its implementation.

- **Health:** an inclusive right that includes a wide range of factors that contribute to a healthy life, such as access to water, adequate sanitation, adequate food and good working conditions.
- **Security and protection:** a right that includes the right to an adequate standard of living, health, well-being, food, clothing, housing, medical care and social services. When the CCMP involves personnel (including those from social groups) to carry out its activities, it must aim at least to establish systems, plans and regulations, in accordance with applicable labor legislation and international best practices, to provide a safe and healthy environment for such personnel, as well as the necessary means to contribute to it.
- **Gender equality:** an essential right to achieve peaceful societies, with full human potential and capable of sustainable development. When the CCMP directly involves social groups, based on the stakeholder analysis carried out, the CCMP must ensure that there are no gender inequalities in its implementation and take the necessary actions to ensure that this is maintained during the implementation of the project, including policies and mechanisms to prevent gender-based violence and effective complaint mechanisms. among others.
- **Access to work and the workplace:** a right that is the basis for other human rights and for the life of a human being in dignity. It includes the opportunity to earn a living through freely chosen or accepted work. When the CCMP involves labor (including that from social groups), to carry out its activities, it must strive to:
    - Complying with the labor legislation in force in the jurisdiction where the CCMP is implemented.
    - Establishing hiring and remuneration in accordance with the law and with equality between genders, guaranteeing equal remuneration for equal work.
    - Promoting employment with equity in line with defined actions or activities, privileging, when possible, the inhabitants of indigenous peoples and local communities in the areas and populations where the CCMP is implemented or adjacent to it.
    - Establishing policies that prohibit labour abuses (forms of coercion, forced labor, child labor, violence at work (including gender-based violence and workplace harassment), discrimination, precarious remuneration).
    - Establishing channels for labor-related complaints or reports.
- **Freedom of opinion, expression and association:** a right that guarantees that any human being can form his or her own opinions, express and share them freely and associate with others. It is important that the implementation of the CCMP is in line with veracity and does not cause misinformation. This right can be implemented and its fulfillment guided through:
    - Secure communication channels.
    - Effective participation mechanisms.
    - Grievance and conflict resolution mechanisms.
    - Mechanisms for respecting association structures.
- **Self-determination:** the right of a local group to freely decide its political status, its own forms of government, economic, social and cultural development, as well as to freely

structure its institutions, without any external intervention; as long as the essential rights of individuals, and the law, are respected. When the CCMP directly involves social groups, it must tend to respect the determinations or give consideration to the points of view and opinions that a local group expresses with respect to the CCMP's activity.

#### 4.2.1.2 Territorial or collective rights

There are few international instruments on territorial rights. They are, however, based on human rights. These rights have been established mainly due to the existing link between social groups (especially indigenous peoples and local communities), and their territories, key to the permanence of their culture. This provides special protection for lands (including natural resources therein contained), owned by these groups, including those they have ancestrally occupied.

The holder or developer must guarantee the territorial rights, both individual and collective, of social groups present in the area where the CCMP is developed. The territorial or collective rights to which the CCMP must monitor compliance with are:

- **Ownership or legal tenure:** CCMPs involving social groups (and entitled as holders) directly in the design and implementation of the CCMP (such as those in the land use sector), must present evidence supporting the ownership and demonstrating the right of use by submitting:
  - National legal instruments[5] supporting such ownership.
  - Legal support for the formation of territorial structures[6].
  - Public land registry, if available.
  - Real estate certificate or registration, if available.

The CCMP must also provide documentation that proves the entering of contracts, agreements, or any other contractual mechanism developed for each project, in accordance with applicable legislation and structured in compliance with the guidelines provided in this document, by means of which a mandate, transfer, waiver in favor or assignment of the rights to manage GHG emissions and their removals or reductions have been made, by the legal or natural holder of the same CCMPs not involving social groups (from non-land use sectors), showing evidence of the ownership or right of ownership of the facilities, processes, area or lands that it encompasses, which demonstrate the right to its use for the project lifetime, or documentation proving the entering of contracts or agreements, in accordance with applicable legislation, by means of which the transfer, waiver in favor or assignment of the rights to manage GHG emissions and their removals or reductions has been made, by the legal or natural holder. Therefore, to prove ownership they must have:

  - Public land registry.
  - Real estate certificate or registration.
  - Cadastral certification.
  - Agreements or contracts.

[5] Laws, resolutions, mandates, minutes, among others.
[6] Such as indigenous, peasant or Afro-descendant lands, reserves, reservations or territories.

In the PDD, it should be stated whether the CCMP holder (both collective or independent) has the right to claim GHG removals or GHG emission reductions, as represented in the validation statement.

The CCMP must also guarantee that its design and implementation do not generate forced displacements of members of social groups or promote or carry out illegal land, facilities, or processes acquisitions.

- **Clear areas or lands (and facilities and processes) identification:** all CCMPs (including those involving social groups) must provide evidence of their location and geographical boundaries. Evidence on identification includes, but is not limited to:

  - Topographic mapping.
  - Aerial photography.
  - Satellite data.
  - Geodetic surveys.

  In this sense, all CCMPs must comply with the provisions as per in Cercarbono's ***Guidelines for Mapping Presentation and Analysis***, available at www.cercarbono.com, section: Documentation, for correct CCMP's areas, processes or facilities identification and delimitation.

- **Protection of lands or natural resources:** CCMPs involving social groups (such as those in the land use sector), in line with Article 29 of the United Nations Declaration on the Rights of Indigenous Peoples to the conservation and protection of the environment, as well as the productive capacity of their lands, territories and resources, must ensure the establishment of:

  - Programmes[7] or measures to ensure natural resources' conservation and protection, without discrimination (complement this item with provisions established as per in ***Section 4.3.1***).
  - Effective measures to ensure that hazardous materials are not stored or disposed of on collective lands or territories without Free, Prior and Informed Consent (FPIC), and related contingency plans. The planning and implementation of these measures respond to compliance with the provisions established in the aforementioned **security and protection** law.
  - Effective measures to ensure, where necessary, that programmes for the control, maintenance and restoration of the health of social groups affected by such toxic materials or products, developed and implemented by such groups, are duly implemented. Measures that respond to compliance with the provisions established in the aforementioned **security and protection** law.

- **Rights for the protection of traditional knowledge:** in line with international provisions, CCMPs involving social groups (such as those in the land use sector) should establish measures to avoid negative impacts from the implementation of the CCMP, towards the

[7] Or strengthen, support or respond to programs already established in their territory in line with local, regional, subnational or national planning plans.

generation, transmission and protection of traditional knowledge[8] and native languages of these groups.

It is important to emphasize that these groups are the ones who have the right to maintain, control, protect and develop their traditional knowledge, cultural expressions and the manifestations of their sciences, technologies and cultures[9]. In addition, these groups are the ones who have the rights to intellectual property derived from cultural heritage[10], traditional knowledge and cultural expressions (stories, songs, folklore, proverbs, cultural values, beliefs, rituals, etc.).

If within the area where a CCMP is developed there are places considered cultural heritage, the holder or developer must guarantee that it will not be affected by any of the activities of the project, additionally, it must present a work plan where the actions that tend to the conservation of the cultural heritage present in the lands where the CCMP is developed are delimited.

Finally, in addition to the guidelines set out above, the CCMP must comply with those established on effective participation (see ***Section 4.2.2***) that implicitly respond to this safeguard component (of territorial and collective rights).

### 4.2.2 Full and effective participation

The CCMP must ensure that all parties or actors involved in the project have transparent, accessible, and timely information regarding the actions and activities that take place in the territory of the project area, especially when they affect social groups[11].

Therefore, the holder or developer must generate and implement an ***effective participation protocol*** the different key actors (from social groups such as: community leaders, reservation authorities, among others) who fulfill the function of representatives of the communities present in the areas where the project is developed.

For the application of this safeguard, the holder or developer must generate an ***effective participation protocol*** that includes:

a. Identification of stakeholders (direct and indirect participants, collaborators, among others) and their classification (local/indigenous/peasant communities, women, youth, among others). This may result from the stakeholder analysis established as a component of the risk analysis.
b. Encourage the effective participation of stakeholders, through participation mechanisms, that allow the articulation of efforts and actions with the actors of the CCMP, so that the

[8] This knowledge also integrates the traditional use and management of lands, territories and resources, with agricultural practices that respect them. Knowledge that constitutes the core of identity, cultural heritage and means of subsistence of these social groups.
[9] Understanding human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, sports and traditional games, and visual and interpretive arts.
[10] According to UNESCO: historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations or practices).
[11] In the event that there is a link with communities that speak languages other than the official language in the country where the CCMP is developed, there must be an interpreter who facilitates dialogue between the social groups and the holder or developer of the project, as well as having the translation of the information generated in the identified native language.

capacities of essential and interest actors are promoted and/or strengthened, and they are an effective part of the decision-making process.

c. Establish guidelines and strategies that allow stakeholders access to information (clear, complete and transparent).
d. Establish grievance and conflict resolution mechanisms, such as those set out below.
e. Establish a monitoring plan for compliance with the activities and actions proposed in this protocol.

Some of the mechanisms of participation mentioned above are exemplified in the ***Annex 2***.

In addition, this protocol must also include elements for evaluation or periodic updating and must contain at least the following elements:

- **Inclusion:** the CCMP should encourage the participation of all stakeholders, based on the mapping and analysis of those stakeholders. Respecting, when applicable, the knowledge of communities (local, indigenous, peasant, others).
- **Collaboration:** the CCMP should foster cooperation and dialogue among all stakeholders to achieve win-win results.
- **Transparent extension of information:** the CCMP should provide information in a clear and accessible manner to all stakeholders about the activities planned or carried out. To do this, different communication channels must be identified and used (radio, posters, social networks, among others). The information must be constant and updated (especially prior to its publication or extension). The information must include the expected objectives and benefits, the risks identified and their mitigation measures, financial data and their distribution of economic resources (aimed at improving the life plans of the communities, when applicable).

The effective participation protocol shall be referred in the validation report, and remain available throughout CCMP implementation.

## 4.3 Environmental and territorial safeguards

The CCMP must guarantee through this safeguard the non-detriment of natural resources, developing measures that allow, when applicable, to promote conservation processes that include actions of protection, management, sustainable use and restoration.

To address this safeguard, the CCMP may consider complementing a previously established ***environmental management plan***[12], as required, which must consider attention to resources' conservation or management, reversal prevention or management measures and/or measures to manage leakage of GHG emissions and comply with these principles and procedures.

[12] If within legal requirements the development of an Environmental Management Plan is mandatory, normally reauired for regulatory permits (such as an environmental license) endorsed by the competent environmental authorities defined in each country where the CCMP is located. Progress in the implementation of this plan should be presented in the PDD and in the monitoring reports, as related with the requirements of environmental safeguards.

### 4.3.1 Conservation or management of natural resources

CCMPs (as applicable) must establish measures for the conservation or management of natural resources (including their assessment), considered in their project activities or that may be affected by its implementation, considering: resource type, quantity, use and related strategies for production, storage, distribution, reuse, remediation, among others.

### 4.3.2 Reversal risk prevention and management measures

Compliance with this safeguard corresponds exclusively to CCMPs (such as the land use sector), whose scope involves flora resources (specifically its plant biomass component).

In this regard, the CCMP shall identify situations (such as forest fires, illegal deforestation, changes in land use and degradation of ecosystems) generating reversal of GHG removals and/or reduction of GHG emissions achieved by it. Therefore, the risk analysis shall consider:

- The identification of sources of risk, description and dimensioning of impacts of reversal risks in the implementation of the CCMP.
- Establishing prevention management and monitoring plans[13], according to identified risks[14], their magnitude, and their likelihood of generating negative impacts, including training actions on risk management techniques, reversal prevention, and remediation actions such as planting plans for the restoration of affected areas[15].

### 4.3.3 Measures to manage GHG emissions leakage

CCMPS shall identify and include in their design the measures set up to prevent or control any displacement of GHG emissions (Leakage), which would occur outside the project boundaries but are unequivocally considered to be attributable to the programme or project activity implementation.

## 5 Due diligence process

Due diligence is understood as the multifactorial process implemented by the holder(s) of the CCMP on a mandatory basis, when its activities involve, have interaction, or may generate potential negative impacts on social groups (as in the case of indigenous peoples or local communities) and/or areas and/or the environment in which these groups are established or carry out their activities, those negative impacts related to risks to the adequate application of the safeguards described above, as a consequence of the design or implementation of the CCMP.

[13] CCMP must apply the ***Cercarbono's Guidelines to Estimate the Carbon Buffer in Climate Change Mitigation Initiatives in the Land Use Sector***, available at www.cercarbono.com, section: Documentation.
[14] They must be an integral part of the actions described in the ***Section 7***, so that actions are not duplicated, but rather complemented.
[15] For this, the CCMP will be able to use satellite images that allow the monitoring of changes in coverage. Additionally, it must establish an early warning system to respond in a timely manner to the identified threats.

## 5.1 Implementation of safeguards in line with the due diligence process

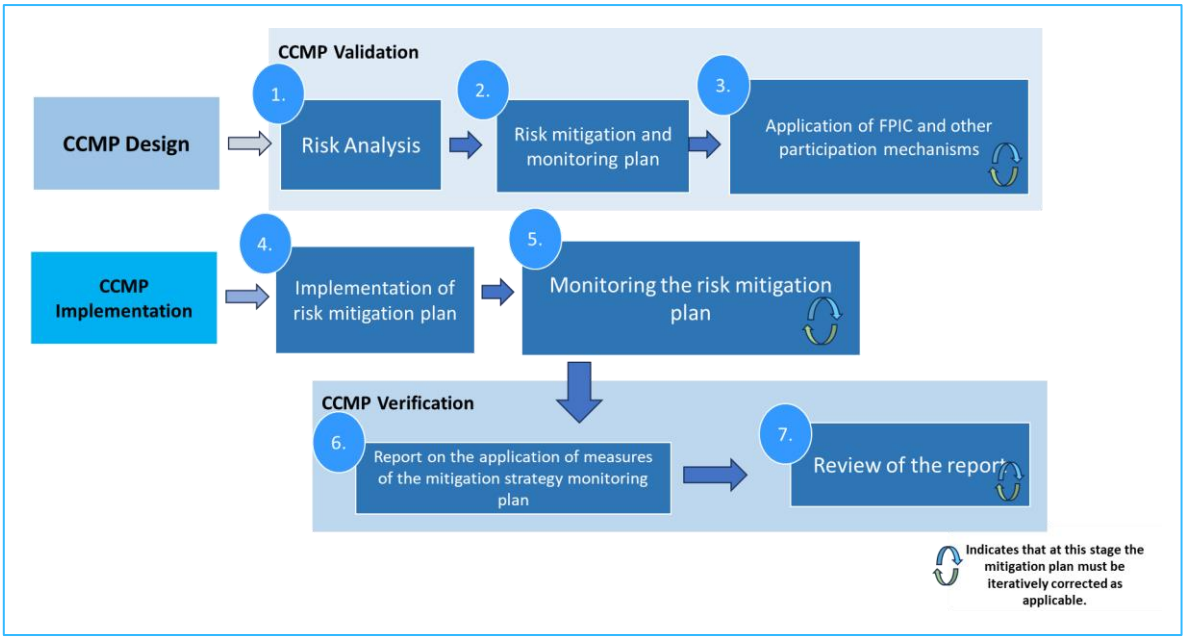
The due diligence process, within the framework of a CCMP design and implementation, must be supported by research, evaluation, monitoring, reporting, effective participation and risk management activities, all in a trust, transparency, security, and efficiency context. To allow for an appropriate application of applicable safeguards, the following elements shall be considered:

1) Identification of risk factors, as well as actors (people, inhabitants, indigenous peoples, local communities, among others, as well as CCMP's operational and administrative staff)[16], systems (natural, biological or physical resources and infrastructure, among others), likely to be negatively impacted in the event of such risk factors materializing, both in the area where the CCMP is implemented and in its areas of influence, establishing the relevant cause-effect relationship, including the responsibilities of each actor as related to this process.
2) Activity-associated risks identification and management, including money laundering, financing of terrorism, analyzing the expected impact mechanisms, the probability of risk occurrence, and the description and estimation of negative impacts associated with each of the risks considered as material (see ***Section 7***).
3) Verification of compliance with applicable regulatory framework, including environmental, labor and lawful ownership or tenure and use of areas in which the CCMP will be implemented (see ***Section 4.1***).
4) Formulation of a risk mitigation plan featuring actions and measures for the mitigation of potential negative impacts according to the risk analysis performed and monitoring of its application, including mechanisms to adjust said plan to valid opinions or views of the actors, particularly indigenous peoples and local communities, as well as in situations of poor performance due to application conditions or the design of measures incorporated in such plan (see ***Section 7.2***).
5) Conducting and documenting the Free, Prior and Informed Consent (FPIC) process, aimed at human groups participating in or likely to be affected by the implementation of the CCMP, as well as ensuring proper operation of other mechanisms designed to facilitate the participation not only of those groups, but also of the global community both at the start and throughout the CCMP implementation (see ***Section 6***).
6) Validation of risk analysis; compliance with applicable regulatory framework; risk mitigation plan; and Free, Prior and Informed Consent (FPIC), by a Cercarbono-approved Validation and Verification Body (VVB)(see ***Section 8***).
7) Supervision of risk mitigation plan application and compliance through monitoring and reporting on the progress, extent and results of measures established in such plan, as well as performing necessary adjustments and changes, as applicable (see ***Section 7.3***).
8) Verification of the monitoring plan where the progress, extent and results of measures established in the risk mitigation plan are reported, as well as the application of adjustments and corrective measures to it, as applicable (see ***Section 8***).

[16] Based on their identification, a safeguards enforcement working group is established, made up of staff and institutions in charge of implementing the CCMP, social groups (including indigenous peoples and local communities), representatives of interest groups, experts, and others, as deemed necessary.

In ***Figure 2***, the sequence and relationship between the different processes and actions described during the design and implementation stages of the CCMP are described.

**Figure 2.** Actions for the application of safeguards as related to the CCMP certification cycle.




## 6 Full and effective participation instruments

For an adequate application of the safeguards, it is necessary to guarantee the full and informed participation of CCMP stakeholders, giving special relevance to the full and effective participation of those who are most likely to experience significant negative impacts derived from their application, either directly or on the ecosystems or infrastructure in which they live or carry out their activities. among them, indigenous peoples and local communities, as well as those who could experience direct negative impacts even if they do not participate or reside/develop activities in the areas included in the CCMP, due to its implementation.

To that end, the principle of Free, Prior and Informed Consent (FPIC) must be complied with during the design of the project and prior to its implementation, by locally applying the process with the same name, aimed at enabling full and effective participation, ensuring that its application is adequate, documented, and its results, including full attention and response to comments, opinions and requirements for further consideration in the CCMP design and/or the risk mitigation plan applied, which shall be validated by a Cercarbono-approved Verification and Validation Body (VVB).

Likewise, additional mechanisms for full and effective participation, which serve both for the interaction and expression of comments, complaints or opinions regarding the CCMP and throughout its implementation life, must be activated, or guaranteed to operate. They are designed to allow full and effective participation both in the local and global contexts, through secure means of communication and with a guarantee of response or conveyance to the instance that must provide it by Cercarbono, as well as follow-up until such a response is produced.

These two types of instruments are described in the following sections.

## 6.1 Free, Prior and Informed Consent (FPIC)

The holder or developer of the CCMP, within the international human rights legal framework and in line with applicable national institutions or regulations guiding its compliance, must respect the right of indigenous communities, local communities and other social groups to give or withhold their **Free, Prior and Informed Consent (FPIC)** on any matter that may affect, positively or negatively, their rights and interests, their traditional livelihoods, their lands, territories, natural resources and cultural heritage, including the decision to implement, or not, the CCMP, or to implement it after giving consideration to comments, opinions or views of such groups.

Such FPIC must be the result of a coercion-, intimidation-, or any kind of pressure-free decision, once those who must make it have received complete, clear, trustworthy information, related not only to the benefits that could be obtained from the implementation of the project, but also to the risks and negative impacts that such implementation could entail, as well as on the proposed actions to mitigate such risks, or to manage unavoidable impacts, clearly indicating how such impacts will affect people, natural resources, or infrastructure and the applicable remediation measures, and that each of the persons who would be affected by such impacts or a representative legitimately designated by that particular group grant their FPIC in this regard.

FPIC must be carried out prior to the start of the implementation of any program or project activity that involves social groups, so it must be planned in advance, established in the design of the CCMP and implemented throughout the project cycle, as applicable.

Both the FPIC process and its outcomes shall be context-specific (even within a CCMP, as this context may vary). Therefore, it is essential that FPIC processes are designed under accepted international standards, in conjunction with the affected social groups, taking into account the cultural context and forms of organization of the indigenous peoples and communities involved, in order to identify who will be asked to grant their FPIC and how decisions are made in these groups to ensure adequate representation within the framework of the legislation or territorial scope (in its case), applicable.

For example, some social groups may have leadership structures in which only a few are appointed by those groups to make decisions on behalf of the community, while other social groups may have customary practices and laws that require consensual decision-making at the community level. Therefore, the objective is to understand these norms and practices, in order to design and implement the FPIC process and its outcomes in compliance with the current norms or organization features.

If a CCMP involves or affects several social groups, FPIC processes should be adapted to these groups in a way that highlights the characteristics that represent them and how program or project activities may affect them, considering their cultural and social context. Similarly, the CCMP must review whether social groups have their own FPIC protocols and if they comply with the FPIC's herein established elements. These protocols shall always be considered as a starting point or complementary to these guidelines.

The minimum elements FPIC process shall consider are presented in ***Annex 1***.

## 6.2 Additional mechanisms for full and effective participation

These mechanisms are designed to guarantee public access to relevant information from the CCMP, as well as to manage comments, complaints, opinions or other expressions that may be issued by any person, stakeholder, authorities, or the general public regarding the project design or implementation, as well as its performance throughout its implementation period.

These mechanisms are implemented at two levels, those set up and operated by the CCMP, which are administered internally by CCMP's organization, and those existing and operational in accordance with Cercarbono's regulatory framework.

Among the mechanisms implemented and operated directly by the CCMP, they shall include:

- Grievance and conflict resolution mechanism.
- Anti-corruption mechanisms.
- Benefit-sharing mechanism.
- Accountability mechanism.

These mechanisms, as well as their characteristics and elements to be considered, as well as their general implementation features, are described in ***Annex 2***.

In addition, and to guarantee effective participation, Cercarbono administers mechanisms following strict protocols in accordance with its ***Corporate Social Responsibility Policy*** and its ***Anti-Bribery and Anti-Corruption Policy***, available at: www.cercarbono.com, section: Documentation.

Such administration implies, depending on the nature of each mechanism, the guarantee of response to queries addressed to Cercarbono, addressing complaints without retaliation and in a safe environment, and guarantee of conveying complaints to the pertinent instances or actors, follow-up on them and guidance to the issuer about the status of its request or expression, or steps to be followed, as applicable. Of course, these channels are open, independently of the FPIC process, to indigenous peoples and local communities, among others.

In that regard, Cercarbono has established different CCMP-related participation mechanisms, such as:

- ***Public comments:*** available at the CCMP design stage via Cercarbono's website: www.cercarbono.com.
- ***Comments to CCMP:*** space at each CCMP mini-site, available to any actor during the entire certification cycle in each CCMP through the registry platform (EcoRegistry).
- ***Grievance mechanism:*** available at Cercarbono website (www.cercarbono.com), described in the ***Procedures of Cercarbono's Certification Programme***, in operation throughout the useful life of the CCMP.

To ensure adequate communication, it is important to highlight the following aspects and instrumentation requirements by the CCMP:

- The holder(s) of the CCMP, jointly with the developer, shall establish the most appropriate channel of direct communication with Cercarbono, so that it is effective,

adapted to the cultural and social context and to available and/or preferably used communication resources by the holder(s) or their representatives.

- In addition to identifying the main actors as established in item 2 of ***Annex 1***, connected to the FPIC process, the holder(s) or developer of the CCMP, on behalf of, and with the prior consent of the holder(s), will release to Cercarbono the list of key actors, in which at a minimum, the head(s) or his/her representative(s), the officials of authorities at all levels, relevant to the implementation of the CCMP and/or for their vocation to address aspects related to indigenous peoples or local communities, as well as actors potentially affected by impacts related to such implementation, shall be included. This list shall include information on the names, positions or representations, as applicable, preferred communication methods and their contact details, which in no case shall be the same as those of the developer. The above must be included in the CCMP support documentation from its registration to the standard.
- Cercarbono will proactively inform the persons, groups, organizations and entities included in this list, about relevant aspects or activities, related to the course of the CCMP through the certification cycle (e.g., the start and end of the public consultation), regardless of communicating it through the herein described mechanisms, preserving the right to inform other actors, organizations or entities Cercarbono considers pertinent as they could be considered as stakeholders.

# 7 Risk analysis and management

## 7.1 Justification for risk analysis and management

All CCMPs registered in Cercarbono shall perform an analysis to identify potential risks related to the application of safeguards when developing their activities.

Risk analysis involves the assessment of the risks arising from CCMP implementation, which may potentially generate negative impacts either directly or indirectly, as a result of such activities, whether from a social, economic and environmental standpoint, by identifying and describing the risk sources, describing each risk by category (including the location of residents, personnel, cultural heritage, ecosystems, infrastructure, among others, exposed to each particular risk category), estimating the magnitude of the potential impacts for each applicable risk category, classifying different risks by probability and magnitude of impact. Therefore, risk analysis makes it possible to identify actors, risks, probable impacts and their magnitude, becoming an input, fundamental to establish the mitigation plan.

Under the principle of not generating net damage, it must be ensured that possible effects on the environment, society and the economy are included in the information utilized for the CCMP's risk assessment. Thus, the holder or developer of the CCMP must provide descriptive and quantitative elements in accordance with the applicable methodologies and tools identified and established, about the potential negative impacts the CCMP may cause to the environment and/or communities, as well as the actions planned to reduce or eliminate the negative effects that may arise as a result of its implementation, guaranteeing no net damage is caused.

The risk analysis and the supports thereof must be presented as annexes to the PDD.

Following, guidance is provided that CCMPs may use to carry out the risk identificacion and assessment process, as well as their management.

Although there are different techniques and procedures to develop a risk analysis, in the ***Annex 3***, as a guideline, the minimum elements to be analyzed are indicated and examples of possible ways of presenting the associated information are provided.

## 7.2 Risk mitigation plan

Once the CCMP has identified the risks, a risk mitigation plan shall be crafted, identifying and establishing measures or strategies to prevent, control or minimize each identified risk. In this way, the CCMP can advance performing of effective actions to eliminate or counteract impacts that may negatively affect its activities.

The risk mitigation plan shall be attached to the PDD.

The mitigation plan shall include the record and extensive description of the actions or procedures the CCMP has outlined to respond to identified risks.

For this plan, the following shall be defined:

- Scope.
- Assignment of roles and responsibilities.
- Documenting each risk, in consistency with the risk analysis, which can be integrated as a section in this plan.
- Established contingency measures.
- Assessment and continuous improvement.

Some strategies that can be implemented depending on the identified risk are presented below:

- Training and education programs.
- Participatory and adaptive monitoring.
- Corruption prevention measures.
- Measures to prevent money laundering or financing of weapons.
- Mediation and conflict resolution mechanisms.
- Promotion of inclusion and equity.
- Natural resource management plans.
- Health and safety management plans.
- Other, as identified by the CCMP.

## 7.3 Monitoring and reporting related to the risk mitigation plan

This stage is important because risks are constantly evolving. By monitoring risk, the CCMP can determine when severity increases or decreases, and then act accordingly. Therefore, it is important for the CCMP to define robust metrics for risk monitoring.

The risk mitigation plan shall be periodically monitored during the execution of the CCMP and shall be documented in its monitoring reports, where its compliance and results shall be demonstrated.

Similarly, an assessment shall be periodically carried out to detect the presence or absence of new risks during CCMP implementation, and in case new risks associated with the

development of project activities are found, appropriate strategies shall be generated to mitigate those new risks. In that case, changes or adjustments to the initially established risk plan shall be made.

To identify negative impacts and define mitigation activities, CCMPs must follow the guidelines established by the competent environmental authority of the country where they are implemented in. In any case, the CCMP must comply with the applicable environmental legislation in its context. If these guidelines do not exist, one of the following methods can be used:

- Expert criteria.
- Cumulative impact assessment.
- Interaction matrices and diagrams.
- Rapid impact assessment matrix.
- Physical and mathematical quantitative models.
- Battelle environmental assessment system.

In consequence, the risk mitigation plan shall include evidence to demonstrate that there is no net damage during the operation of the CCMP, and to quantify the performance of negative impacts' mitigation measures, as applicable. During verification events, assess,emts and verifications in this regard shall be carried out by the VVB, indicating the results and conclusions in the verification report.

The holder or developer of the CCMP shall conduct a safeguards status analysis as part of the PDD, focusing on the expected implementation of the CCMP. As well as reporting in the monitoring report, compliance with the applicable safeguards listed in ***Section 4*** of this document.

## 8 Third-party validation and verification

In the validation stage, the Cercarbono-approved VVB by, will validate the risk analysis and risk mitigation plan developed by the CCMP, as well as the adequate and complete application of the FPIC process. The CCMP shall attach evidence that the FPIC process has been duly carried out and the ***Sustainable Development and Safeguards Focus Areas Compliance Statement***, available at www.cercarbono.com, section: Documentation, duly filled.

In the verification stage, the Cercarbono-approved VVB will verify that the CCMP includes in the monitoring report, a summary of the application of the measures established in the risk mitigation plan, including the extent and degree of application, its results and alignment with such plan, as well as detail in its verification report the necessary adjustments or changes to that plan, which shall be incorporated into it and implemented, which shall be verified in the next verification event.

Any failure to comply with the safeguarding principles, including compliance with the protocol, procedures, and monitoring and reporting requirements, shall result in non-conformity statements that must be addressed by the CCMPs.

# 9 Validity and transitional regimes

This version of the ***Safeguarding Principles and Procedures of Cercarbono's Certification Programme*** will be in force and applicable for any new or registered CCMP under the REDD+ mechanism, for subsequent validation or verification events.

For the remaining CCMPs (both in the land use sector and those not belonging to this sector), their level of progress throughout the project cycle defined by Cercarbono will be considered. Depending on which stage the CCMP is in, the following could be considered:

- If the CCMP is in Stage 1 or 2 (formulation and public comments), the CCMP must fully integrate this version of the ***Safeguarding Principles and Procedures of Cercarbono's Certification Programme***.
- If the CCMP is in Stage 3, 4 or 5 (validation, verification or certification), the CCMP may respond to the safeguards guidelines set out in the applicable version of the ***Cercarbono's Protocol***.

# 10 Special situations

Given an exception to a specific safeguard principle or requirement may arise under particular circumstances or any other unforeseen conditions, that shall be addressed in a consultative manner with Cercarbono prior to implementing such exception.

Where a safeguard is considered not to be applicable to a particular CCMP, this must be justified.

## 11 Document history

| Version | Date | Comments or changes |
|---|---|---|
| 1.0 | 24.03.2023 | Initial version. |
| 1.1 | 18.10.2023 | Description and considerations on no net damage are supplemented. |
| 2.0 | 02.10.2024 | English version featuring comprehensive guidelines are established on the application of safeguards for all types of CCMPs. It complements and improves all sections of the document.<br>Spanish version, including adjustments to harmonize versions based on ICVCM's terminology and requirements. |

## Annex 1 FPIC development steps

1. Determining if the CCMP is carried out in territories where social groups are established (indigenous, Afro-descendant, peasant communities, among others) and/or affects rights, lands, territories, resources, livelihoods, traditions, etc.
2. Identification of involved or affectedsocial groups involved or affected[17], where the legal representatives[18], organizations or other actors representing them must also be identified.
3. Carry out a ***Prior Consultation***[19], in line with Article 32 of the United Nations Declaration on the Rights of Indigenous Peoples, before starting the activities of the CCMP, where social groups are informed about the objectives and activities planned by the CCMP. This is done once stakeholders have been identified. The CCMP shall establish different consultation strategies through which the views, suggestions and support of stakeholders to implement the activities of the CCMP are gathered. This should be done through discussion spaces such as meetings, working groups, media releases (radio, press, television), interviews, surveys, workshops, among others, generating an open and fed back dialogue.

   This consultation is carried out in order to obtain the FPIC before approving the CCMP, by means of which, and in consensus with the social groups, priorities and strategies are determined and formulated for the development or use of their lands or territories, their resources, and for the benefits to be obtained, considering respect for the social organization modalities of these groups.

   For this consultation, the CCMP must take into account the different mechanisms considered in the ***effective participation protocol*** described in ***Section 4.2.2***, especially those related to forms of participation and access to information.
4. Obtaining the FPIC of the social groups involved or affected (including gender equity-, and representative participation-related matters[20]), before implementing any CCMP activity. This is considered a result of the participatory and joint activity between the parties in consultation, generating a partial agreement or agreements.

   The CCMP shall ensure the FPIC is culturally appropriate, respecting involved or affected social groups' local traditions, practices and customs, its governance structure (see ***Section 4.2.1***), and stakeholders participation (see ***Section 4.2.2***). In addition, the process, decisions and agreements generated (including the expected changes in the

[17] The CCMP may have an independent facilitator or expert to avoid bias to support the participation of social groups in the process.
[18] In the event there are internal conflicts regarding representation within a local group, the local government structure and the support that exists in the legal framework of the territory for said structure must be observed. The legal representatives are usually collectively appointed members of the social groups by consensus.
[19] The aim of this consultation is to meaningfully engage identified stakeholders to discuss potential environmental, social and economic impacts (both negative, positive and identified potential risks) that they may have experience during the design, planning and implementation stages of the CCMP and to establish a feedback mechanism in consultation with stakeholders. It must be clear and conducted in the native or usual languages of the social groups. In events with communities, it should be ensured that crucial issues are included (land use conflict, inequality, cultural impact, economic dependence, loss of biodiversity, among others).
[20] Elements considered in ***Section 6*** on effective and full participation.

well-being of stakeholders (especially social groups) and in the natural resources that the CCMP will generate) shall be documented.

In the event of non-granting of the FPIC by social groups, that must be respected. However, the CCMP may generate dialogues that allow agreements, alternatives or adjustments to obtain such FPIC. If an absence of FPIC persists, then the CCMP holder or developer should carefully consider whether the CCMP can continue, respecting the rights of indigenous peoples and without affecting their territories as part of the project's area of influence, in a manner that provides a clear justification and evidence that the activities of the CCMP do not adversely affect the rights of indigenous peoples. If so, the project should be reviewed to ensure that activities for which FPIC was not obtained are not included in the project.

Finally, if the CCMP is being carried out entirely on lands where social groups have not granted their FPIC, it will be necessary to reconsider, redesign, or cancel the CCMP.

# Annex 2 Additional effective and full participation mechanisms

- **Participation mechanisms**

The CCMP shall have a participation mechanism, through which members of social groups and other interested parties can actively interact in its design and implementation as well as in decision-making.

In that regard, Cercarbono has established different mechanisms for the participation of CCMPs stakeholders, such as:

- ***Public comments:*** available at the CCMP design stage via Cercarbono's website: www.cercarbono.com.
- ***Grievance mechanism:*** available at Cercarbono website (www.cercarbono.com), described in the ***Procedures of Cercarbono's Certification Programme***. Active throughout the CCMP lifetime, available at www.cercarbono.com, section: Documentation.

- **Access to information mechanisms**

The developer or holder of the CCMP must generate a mechanism for access to the relevant information of the project, to all interested parties, including social groups. Information that must be transparent, timely and in a clear and easy to understand language (if necessary, it must be translated into the language(s) used by the social groups). It is recommended to use different means for disseminating this information:

- Digital platforms.
- Printed material.
- Local media (community radio, television programs or others regularly used by the communities).
- Dissemination days.
- Other communication means considered as appropriate.

The CCMP shall establish information access points, which may be physical (by establishing a headquarters, office or consultation centre in the area where the CCMP will be implemented) and/or mobile (regularly visiting stakeholders on site, or establishing digital programs for information access and/or constant contact with them).

- **Grievance and dispute resolution mechanism**

The CCMP must set up a complaining mechanism through which stakeholders or the general society can inquire, present complaints, doubts or concerns related to the project activities, this must be in accordance with the culture and traditions of the communities. In the same manner, a mechanism for resolving claims in a peaceful manner should be implemented, privileging dialogues for conflict resolution.

CCMPs shall incorporate strategies to promote dialogue and effective communication with stakeholders or communities. Intervention processes to address inquiries, complaints, concerns, and complaints from stakeholders or community members in areas where CCMPs are implemented shall be developed responding to:

- Identification of queries, claims, concerns and complaints.
- Registration and analysis of queries, claims, concerns and complaints.
- Creation of dialogue scenarios.
- Proposal for solutions (both from the CCMP and from the stakeholders or communities, as applicable).
- Crafting of agreements or commitments.
- Report preparation and monitoring of agreements or commitments.

These processes can be developed independently or complementarily. In any case, there must be documentary evidence of them when they occur. The CCMP must establish a maximum period of three months to resolve any query, claim, doubt or complaint. If this period is not practicable, it may be extended justifying such decision.

Cercarbono has established different mechanisms for receiving comments, complaints or other concerns about the CCMPs, such as:

- ***Comments to CCMP:*** active at each CCMP's minisite at EcoRegistry platform.
- ***Grievance mechanism:*** active at Cercarbono website throughout the CCMP lifetime (www.cercarbono.com), as described in the ***Procedures of Cercarbono's Certification Programme***, available at www.cercarbono.com, section: Documentation.

- **Anti-corruption mechanisms**

The CCMP must generate anti-corruption mechanisms that involve all workers or members of the project development team, as well as members belonging to the social groups related to the project's decision-making. The mechanism must contain clear and detailed policies against bribery and corruption, and must present the prohibitions and consequences of non-compliance with therein established provisions.

This mechanism must include:

- Scope of anti-corruption policies.
- Definition and key principles, where restrictions preventing corruption during project development are presented.
- Consequences of non-compliance with provisions outlined in the anti-corruption mechanism.
- Violation reporting mechanisms.
- Registration and documentation of all processes developed in the project, including financial ones.
- Compliance with, and monitoring of anti-corruption policies' application.
- Updates, as required.

In addition, the CCMP shall promote training sessions for technical team members, leaders, social groups and other interested actors on the scope and importance of anti-corruption policies and the consequences of non-compliance with this mechanism.

- **Profit sharing**

The holder or developer of the CCMP must generate distribution mechanisms (especially when it involves social groups) that allow the identification of direct and indirect benefits generated by the CCMP development, which must be distributed according to the activities

established for the design and implementation and the level of involvement of the stakeholders in the development of the project.

Benefits can be classified as financial, non-financial (access to training, capacity building, improvements in community infrastructure, and conservation of natural resources). The benefits, when the CCMP involves social groups, must be supervised through the governance structure of the community, which by means of community committees or management councils will guarantee transparency in the distribution of resources captured by the development of the project activities. The distribution must be fair and equitable, where the economic resources belonging to these groups and the product of the project's profits are consigned to community funds.

- **Accountability**

The CCMP shall establish accountability mechanisms to clearly and thoroughly expose to stakeholders information on what has been done, how, how much has been allocated and/or spent in activities related to CCMP's design, implementation, operation ande management, how resources have been invested, what results have been obtained, among others, including information on safeguards' respecting and compliance with in a cross-cutting manner (i.e. encompassing other safeguards). The periodicity of the accountability reports[21] is defined by the CCMP, where effective participation is assured, as well as informing on the progress and activities carried out in compliance with the ***effective participation protocol***.

[21] If it includes social groups, it must be translated into the native or usual language of the communities present in the territory where the CCMP is implemented.

## Annex 3 Risk identification and assessment process

- **Risk Identification**

The identification of risks is normally carried out based on different questionings that the CCMP might produce, related to activities resulting from its implementation, on:

- Risk source and its form of potential affectation.
- Probability of occurrence.
- The impact and severity they would have if occurring.
- Assigned priority level.
- Responsible for risk and its attention.
- Response plan.

To identify the different risks that may arise in the development of the CCMP, the holder or developer shall implement the following tools:

– **Stakeholder analysis:** includes interested or affected parties (government institutions, NGOs, social groups, members (community leaders, women, youth)) and other actors that are considered suitable in order to understand/assign interest, possible concerns, involvement and responsibilities. For this activity, interviews, surveys, documentary review and motivation analysis (economic, social, cultural or environmental) may be employed. Through this tool, it will be possible to identify possible conflicts of interest, resistance to the CCMP, or lack of support.

Stakeholder analysis includes, but is not limited to:

a) Identification and location of interested or affected parties (making lists or mapping, in which a description of their social, economic and cultural aspects is made, as well as a comparative analysis on similarities, differences and interactions between them).
b) Categorization of stakeholders or affected parties based on common interests.
c) Grouping and prioritization of stakeholders or affected by degree of influence and interests.
d) Identify communication mechanisms with interested or affected parties.
e) Stakeholder monitoring strategy.

– **Environmental impact assessment:** collecting data from the environment where the CCMP will be developed to generate a reference point. The information can be collected through surveys, interviews, direct observation, analysis of satellite images and field studies. Once the information for the reference point is collected, a risk analysis shall be carried out, where potential impacts of the project, both positive and negative, are identified, assessed, and analyzed.

The environmental impact assessment includes, but is not limited to:

a) Identification of the CCMP and its features.
b) Study of the environment that will be affected (flora, fauna, water quality, air quality, soils, geographical, among others).
c) Identification and evaluation of impacts (direct and indirect).
d) Impact mitigation proposal (management activities).
e) Environmental impact assessment report.

f) Public consultation of the environmental impact assessment report.
g) Monitoring of the environmental impact assessment.

– **Risk assessment matrix:** allows for identification of potential environmental, social, economic, and political risks that could affect CCMP's performance. It is advised generating a matrix containing the following columns: risk description (social, economic, cultural and environmental); probability of occurrence (e.g., very likely, moderately likely, and unlikely); impact (e.g., high, medium, and low); level of risk; mitigation measures; responsible and implementation status, which encompasses the two above mentioned tools.

The risk assessment matrix includes, but is not limited to:

a) Identifying and defining potential program- or project activity-associated risks.
b) Categorizing identified potential risks.
c) Assessing and quantifying the impacts of potential risks identified.
d) Formulating a mitigation and monitoring plan for identified risks.

Complementary or optional to the risk assessment matrix, the CCMP can use the logical framework, Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT), and Political, Economic, Social, Technological, Environmental, and Legal Analysis (PESTEL) tools, as they facilitate the early identification of risks and the planning of responses associated with their mitigation.

In ***Table 1*** some examples of commonly analyzed risks the CCMP may identify are listed, without representing all of them will occur or that others not included in such exemplification cannot be identified.

**Table 1.** Potential risks identified by the CCMP.

| **Social risks** |
|---|
| • Violation of territorial rights.<br>• Social conflicts.<br>• Acts of corruption.<br>• Gender inequality and discrimination.<br>• Forced labor.<br>• Physical displacement of individuals or population.<br>• Inclusion of child labor in work contexts.<br>• Occupational safety conditions.<br>• Disruption of local governance.<br>• Forced displacement of communities.<br>• Food insecurity.<br>• Fragmentation of initially formed population or social groups.<br>• Changes in the communities' internal power dynamics.<br>• Tenure of the areas where the project is implemented.<br>• Forced land acquisition and resettlement. |
| **Economic risks** |
| • Rising living costs.<br>• Low cash flow. |

| |
|---|
| • Market changes or fluctuations.<br>• Economic dependence on income from carbon credits. |
| **Cultural risks** |
| • Loss of traditional knowledge.<br>• Changes in traditional practices.<br>• Distrust of the project implementers.<br>• Cultural resistance that generates conflicts between the community and developers. |
| **Environmental risks** |
| • Habitat destruction.<br>• Loss of flora and fauna species.<br>• Degradation of natural resources.<br>• Pollution of natural resources.<br>• Natural disasters.<br>• Fire generation.<br>• Disposal of toxic chemicals.<br>• Noise proliferation.<br>• Limited or ineffective adoption of sustainable alternatives.<br>• Changes in land use or displacement of initial activities.<br>• Uncontrolled use of pesticides and fertilizers and incidence of pests and diseases. |

- **Categorization of risks**

Once the risks have been identified, the holder or developer of the CCMP shall categorize them according to different criteria, either according to their origin (internal or external), their nature (technical, financial, legal, among others) or their impact on time or cost for the CCMP. Such categorization shall be aligned with the generated impact, which depends on the CCMP characteristics.

**Table 2**. Example format for categorizing identified risks.

| Identified risk type | Probability* | Impact** | Classification | Description |
|---|---|---|---|---|
| | | | | |
| | | | | |

*Possibility of risk occurrence.
**Consequences generated by risk materialization.

- **Risk assessment**

The holder or developer of the CCMP shall assess the potential risks identified, based on their probability of occurrence and the impact they could have, in such a way that they contingency plans allowing project implementation are generated, minimizing (as applicable) the impact on the environment or the communities present in the CCMP activities implementation area.

The holder or developer of the CCMP may use its own criteria for identified risks' assessment. However, if there is an applicable legal requirement to generate the analysis

and evaluation of such risks, it may be presented, complemented it as required, to comply with the provisions as of in this document.

In ***Table 3*** an example is provided applicable to the assessment of risks identified by a given CCMP, so that the probability of occurrence of the risk is classified as "**Low**", "**Medium**" o "**High**" and impact is categorized as "**Minor**", "**Moderate**" or "**Severe**". The results generated between the probability and the impact of the risk can be considered as "**Acceptable**" when CCMP activity may generate minimal or no impacts. Meanwhile, "**Mitigate**" shall be considered when the CCMP activity may generate potential adverse impacts but whose impacts are less significant than the ones classified as high and can be adequately addressed and/or mitigated, or "**Avoid**" shall be considered when the CCMP activity may generate significant potential adverse impacts that are sensitive, diverse or unprecedented, justifying in each case the way in which the evaluation is made to determine such classification.

**Table 3.** Simplified example format for identified risks' assessment.

| Degree of impact expected / Probability of risk occurrence | Minor | Moderate | Severe |
|---|---|---|---|
| Low | Acceptable | Acceptable | Mitigate (Future or reactive actions) |
| Medium | Acceptable | Mitigate (Future or reactive actions) | Avoid (Immediate actions) |
| High | Mitigate (Future or reactive actions) | Avoid (Immediate actions) | Avoid (Immediate actions) |