

Safeguarding Principles and Procedures of CERCARBONO Certification Programme



Carbon Programme

Version 3.0

® CERCARBONO

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Acronyms and abbreviations

CCMP	Climate Change Mitigation Program or Project
FPIC	Free, Prior and Informed Consent
GHG	Greenhouse Gases
IPCI	Indigenous Peoples and Communities Initiative
ISO	International Organization for Standardization
NGO	Non-Governmental Organization
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
UNO, UN	United Nations Organization
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 that 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 recognized by the Inter-American Court of Human Rights, there is an undeniable relationship between a healthy environment and the protection of human rights, particularly in relation to specially protected groups such as Indigenous peoples. For example, the collective property rights of these peoples are closely linked to the protection and access to natural resources found in their territories, as such resources are essential for their survival and the way of life they have chosen. This connection has also been emphasized by the Inter-American Commission on Human Rights in Advisory Opinion OC-23/17.

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

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

It is in this context, and considering the aforementioned data 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 (CCMPs). Such safeguards are directed to increase the projects' transparency and effectiveness through a full and effective participation of the parties, in respect for traditional and ancestral knowledge.

Thus, these policies aim 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 groups¹ (giving special consideration to respecting and applying norms that consider the cultural context, territorial scopes, and other particular special protection features related to indigenous communities,

¹ Referring as such throughout this document, the groups and individuals forming part of them.

Afro-descendants, peasants, local communities or settlers, among others), where CCMPs are implemented.

It is in this context, as well as under the framework of the Conference of the Parties (COP-16) held in Cancun, Mexico in 2010, that a common global safeguards framework was established for projects aiming to reduce Emissions from Deforestation and Forest Degradation, as well as 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-related activities, protecting the rights of communities, as well as their territories. These safeguards can be grouped into three categories:

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

The REDD+ mechanism, for proper operation, requires the countries where the CCMPs are developed, to make an interpretation of such safeguards and establish 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, in the territories where the CCMPs are developed, allows:

- a) Guaranteeing respect for the rights of social groups, including indigenous peoples and local communities, without being limited only to them.
- b) Ensuring natural resource 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 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.

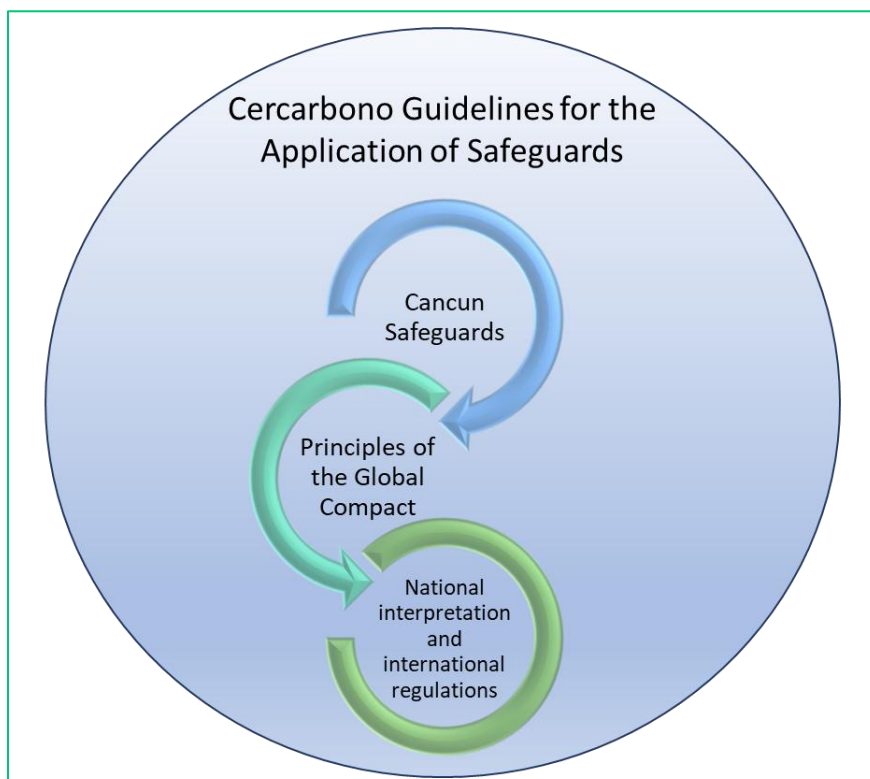
This achieves an alignment between mitigation objectives, legal and regulatory compliance in all aspects (environmental, labor, protection of human rights and respect for indigenous peoples, and other complementary or related laws and regulatory provisions or territorial scope), and a contribution to 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 COP-16 in Cancun and consistent 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 their application in any country where its activities are carried out, especially those involving social groups in its design or implementation, such as CCMPs related to the land use sector (REDD+, Reforestation, Agricultural Woody Crops, 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, an unrestricted respect for human rights, extending to all participants in its activities-, services-, and products-value chain², reflecting such policy commitment in its Corporate Social Responsibility document³ which, along with compliance with the rest of the guiding principles, in the case of CCMPs 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

² Including all staff hired by third parties participating or supplying good and services for a CCMP in any of its development stages and links in its value chain.

³ Available at www.cercarbono.com.

peoples and communities, on land areas or the environment. To do so, the project must guarantee the **Free, Prior, and Informed Consent (FPIC)** process. This is achieved through adequate communication and by considering the opinions, complaints, and views of all relevant parties. This includes not only the participating indigenous peoples and local communities (within their cultural context) but also any others who could be negatively impacted by the CCMP. This process must also include the proper disclosure of information regarding the results of the risk analysis and management of potential negative impacts, related to such safeguards. Based on the above, risks are also calibrated in terms of human rights, both on 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. The CCMP must establish this plan when completing and signing the **Safeguards Compliance Report** template and the **Sustainable Development and Safeguards Focus Areas Monitoring and Compliance Statement** form. Finally, all of the above, as well as the full and effective participation of potentially affected groups through substantive consultations, along with the benefit-sharing plan or mechanism features, outcomes and performance, as applicable, must be validated and verified, as applicable, by the Validation and Verification Bodies (VVB) linked to each CCMP.

Cercarbono will make the safeguard compliance reports, validation, verification, and monitoring reports, the benefit-sharing plan and its outcomes⁴ and the sustainable development and safeguards focus areas compliance statements of the CCMPs, publicly available. In these documents, 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 within the applicable legal framework, which includes both national and international legislation and norms related to the respect of human rights.

During verification events 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 any necessary adjustments or changes to it to ensure proper application of applicable safeguards, through the **Safeguards Compliance Report** template and the **Sustainable development and Safeguards Focus Areas Monitoring and Compliance Statement**. All of this will be assessed by the VVB.

⁴ Parts of such benefit-sharing plan could be reserved or not be explicit in the public version of the document, provided so is mandated by law, or the project holder(s) require so and duly justify such request, which in all cases must be presented in an official manner. In general, the only valid reason for authorizing such partial public disclosure is when real risks to the personal life, integrity or property could be a consequence of such publication.

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 *Cercarbono's Protocol* available on the "Documentation" section of www.cercarbono.com.

To comply with the safeguards, the CCMP must fundamentally comply with the principle of **No-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, ensuring the following:

- 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).
- Using, conserving, or sustainably managing biological resources (ecosystems, including flora and fauna) without generating, or adequately compensating for, negative impacts on the environment.
- Adhering to good governance and recognizing the existing governance structure, which, in any case, must adhere to the legislation and legal norms applicable to the 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 since the CCMP design stage and throughout its full operational life, that there will be a 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 going forward, as applicable (see **Section 6.2**).

The above must be implemented according to the principles of **pertinence, 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 (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 Rights⁵:

- **Human rights:** the CCMP must promote, respect, protect and guarantee the human rights of each person with whom it interacts throughout its value chain, ensuring that there are no actions, behaviors, or omissions that result in the violation of such rights. These rights are inalienable and must be recognized and respected by all actors in the CCMP.

⁵ Available at: unglobalcompact.org/what-is-gc/mission/principles.

- **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 while ensuring protection for contracted workers, whether directly employed or subcontracted (hired by third parties), to the fullest extent permitted by rule of law and international treaties ratified by the host country and the employer's country of incorporation.
- **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 adoption and dissemination of environmentally friendly technologies.
- **Fight against corruption:** the CCMP must promote and strengthen effective and efficient measures to prevent and combat corruption in all its forms.

3 Scope

These guidelines apply to all Climate Change Mitigation Programs or Projects (CCMPs) participating in the Cercarbono framework, particularly those within the land use sector seeking to obtain certified Greenhouse Gas (GHG) reductions or removals from their implementation.

Adherence to these guidelines ensures alignment with the Cancun Safeguards and the principles of the United Nations Global Compact. CCMPs must, at a minimum, consider the following seven (7) safeguards⁶, which are grouped into three main categories:

➤ **Institutional:**

1. Consistency with international agreements and national regulations.
2. Recognition of governance structures.

➤ **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 biodiversity).
6. Measures for the prevention and management of reversal risks.

⁶ 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.

7. Risk analysis and management.

Since the application of safeguards varies according to the program or project (depending on the specific activities and sectoral scope of a CCMP), project proponents must analyze the unique context of their initiative to apply the relevant safeguards. If a safeguard is deemed “**not applicable**”, a clear justification for this determination must be provided within the ***Sustainable development and Safeguards Focus Areas Compliance and Monitoring Statement***, this document serves as a formal declaration by the initiative's holder, affirming their commitment to apply and comply with the safeguards and guidelines set forth herein. Both the template and this document are available in the "Documentation" section of www.cercarbono.com.

3.1 Technical program compliance

The following Cercarbono’s regulatory framework documents⁷, in their most current versions, are complementary and essential for the application of this methodology:

- Cercarbono's Protocol for Voluntary Carbon Certification.
- Procedures of Cercarbono's Certification Programme.
- Terms and Definitions of the Voluntary Certification Programme of Cercarbono.
- Sustainable Development and Safeguards Focus Areas Compliance Statement.
- Safeguards Compliance Report template.
- Safeguards Compliance Monitoring template.
- Sustainable development and Safeguards Focus Areas Compliance and Monitoring Statement.
- Applicable Methodology(ies) for the sectoral scope in which the CCMP is Implemented.

The following Table details the stages of the project cycle in which the documentation complementary to these guidelines must be submitted.

Table 1. Management of documentation complementary to these guidelines.

Stage*	Document	Responsible for completion	Signature	Responsible for upload in EcoRegistry
Registration	Sustainable development and Safeguards Focus Areas Compliance Statement	Holder or developer of the CCMP	- Holder or developer	- Holder or developer
Validation	Sustainable development and Safeguards Focus Areas Compliance Statement	Holder or developer of the CCMP	- Holder or developer - VVB	- VVB

⁷ Available at www.cercarbono.com, Section: Documentation.

Stage*	Document	Responsible for completion	Signature	Responsible for upload in EcoRegistry
Verification (including monitoring)	Safeguards Compliance Report	Holder or developer of the CCMP	- Holder or developer	- Holder or developer
	Sustainable development and Safeguards Focus Areas Monitoring and Compliance Statement	Holder or developer of the CCMP	- Holder or developer - VVB	- VVB
	Safeguards Compliance Monitoring Reporte	Holder or developer of the CCMP	- Holder or developer - VVB	- VVB

* When the CCMP carries out joint validation and verification processes, the uploading of documentation to the EcoRegistry platform will be done according to the progress of each stage.

4 Safeguards

The following sections provide a conceptual description of the safeguards' application, tailored to different CCMP types and specific safeguard characteristics. This framework is structured in alignment with the provisions of COP-16 in Cancun and the principles of the United Nations Global Compact.

Furthermore, all CCMP implementation must fully align with the host country's national interpretation of these safeguards. Projects are required to comply with all applicable national and local laws, regulations, and related provisions pertinent to their activities and operational territory. This mandate extends to all relevant international regulations, particularly those established in ratified international agreements.

4.1 Institutional safeguards

The application of these safeguards aims to ensure that the CCMP integrate all current national and international regulations concerning social, cultural, environmental, and financial rights into their design and implementation. Furthermore, these safeguards mandate the recognition of existing governance structures. This ensures that CCMP objectives, particularly in the land use sector, are aligned with the relevant territorial planning and management instruments of the implementation area.

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 host country. To achieve this, project proponents must conduct a thorough analysis of these legal instruments/regulations to ensure it is designed and implemented based on them.

This analysis must be documented in the Project Design Document (PDD) and all subsequent monitoring reports. It shall be presented using a compliance matrix that clearly demonstrates how the project adheres to each applicable regulation and agreement.

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

Throughout its lifecycle, the CCMP must adapt to any changes or updates in the governing agreements and regulations, making necessary adjustments to maintain ongoing compliance.

4.1.2 Recognition of governance structures

This safeguard applies specifically to CCMPs (such as the land use sector), where social groups are directly involved as project holders or co-holders.

The project holder or developer must undertake the following actions:

- 1) Identify and respect the existing governance structures of all directly involved social groups within the CCMP implementing area.
- 2) Verify that the project's objectives align with the territorial management and planning instruments relevant to these groups.
- 3) Ensure that these governance structures comply with all legal requirements and are appropriate in the relevant cultural context.

In accordance with Cercarbono's Official Statement No. 5: "Analysis of governance, land ownership and legal representation of collectively owned territories in REDD+ projects", the project's governance structure must be thoroughly detailed in a document called **Analysis of Governance**. This requirement is specifically applicable to CCMPs involving social groups, and must address, at a minimum, the following points:

- Identification and geographical location of all involved social groups (indigenous, Afro-descendant, peasant communities, among others).
- Description of the land ownership regime of the areas where social groups are located.
- An outline of the current governance structure established by the social group(s), including its composition, members, and specific roles.
- Identification and demonstration of the legal authority possessed by the designated representative(s) or traditional authorities. This validation must be consistent with the previous items, and current within the jurisdiction in which the CCMP will be implemented at the time of entering agreements, contracts or other relevant forms of association related to the implementation
- A description of the decision-making process, establishing that the individual(s) acting on behalf of the indigenous community are empowered to do so in accordance with the aforementioned provisions

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 understood, mutually agreed upon, and fairly distributed.

Furthermore, effective stakeholder 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 ensure that their activities respect the traditional knowledge and human rights of the population or social groups present in the areas where the activities are implemented.

These include indigenous peoples and local communities, ensuring the application of this safeguard, considers the following elements (as required):

4.2.1.1 Human rights

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

While numerous international human rights instruments exist, this framework references the classification and description established by the United Nations, for rights upon which the CCMPs can have tangible influence through their operation or integration of actions around the carbon credits-generating activity. CCMPs must therefore support compliance with these rights, 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, The CCMP must therefore prevent any negative impacts on the food security 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. This right must be upheld if the CCMP includes any construction or housing improvement initiatives.
- **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 adequate means of sanitation, in order to prevent diseases thus, preserving the quality of water resources. 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 employing personnel to carry out its activities (including those from social groups), the

CCMP must aim to establish systems, plans and regulations, that align with the applicable labor legislation and international best practices, to provide a safe and healthy work environment, 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 social groups are directly involved (based on the stakeholder analysis carried out), the CCMP must prevent gender-based inequalities through its implementation as well as establishing necessary actions to ensure that this is maintained during the implementation of the project. This includes and is not limited to clear policies and effective mechanisms to prevent gender-based violence and address complaints.
- **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 commit to the following actions:
 - Comply with all labor legislation in force in the jurisdiction where the CCMP is implemented.
 - Establish hiring and remuneration practices that are lawful and gender-equitable, guaranteeing equal pay for equal work.
 - Promote equitable employment opportunities with defined actions or activities, prioritizing (where possible) local inhabitants (these include indigenous peoples) and local communities in the areas and populations where the CCMP is implemented or those adjacent to it.
 - Implement and enforce policies that strictly prohibit labour abuses (including coercion, forced labor, child labor, workplace violence (including gender-based violence and harassment, discrimination, and insufficient remuneration).
 - Establishing policies for protection of contracted workers, both directly employed or hired by third parties, to the farthest extent applicable by rule of law and international treaties subscribed by the host country and the employer’s country of incorporation.
 - Establishing channels for labor-related complaints or reports.
- **Freedom of opinion, expression and association:** The right of any individual to form their own opinions, to express and share them freely, and to associate with others. It is important that the implementation of the CCMP commits to truthfulness and prevents the spread of misinformation. This right shall be implemented and upheld through the following mechanisms:
 - Secure communication channels.
 - Effective participation mechanisms.
 - Grievance and conflict resolution mechanisms.
 - Mechanisms that respect existing association structures.
- **Self-determination:** The right of a local group to freely determine its political status, and pursue its own forms of government, economic, social and cultural development, as well as to freely structure its institutions, without external interference; provided that the fundamental rights of individuals, and the rule of law, are respected. When the CCMP

directly involves social groups, it must respect their determinations and give due consideration to their perspective and opinions regarding all CCMP's activities.

4.2.1.2 Territorial or collective rights

While specific international instruments on territorial rights are limited, these are firmly grounded in international human rights law. They have been established in recognition of the profound connection between social groups -particularly indigenous peoples and local communities- and their territories, which are integral to their culture permanence. This principle affords special protection to the lands (including natural resources therein contained), these groups own or have traditionally occupied.

The project holder or developer must guarantee the individual and collective territorial rights, of all social groups within the project area where the CCMP is developed. The CCMP must monitor compliance with the following territorial or collective rights:

- **Ownership or legal tenure:** CCMPs involving social groups (entitled as holders) directly in the design and implementation of the CCMP (such as those in the land use sector), must provide official evidence supporting the legal ownership and right of use. Required documentation includes:
 - National legal instruments⁸ supporting such ownership.
 - Legal documentation supporting the formation of territorial structures⁹.
 - Public land registry records, if available.
 - Real estate certificates or registrations, if available.

The CCMP must provide documentation that proves the entering of any contract, agreement, (as well as any other contractual mechanism developed for each project) executed in accordance with applicable law, and structured in compliance with the guidelines provided in this document, that transfer, waive or assign the rights to manage GHG emissions and their removals or reductions, by the legal or natural holder of those 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, providing the aforementioned documentation, which includes:

- Public land registry records.
- Real estate certificates or registrations.
- Cadastral certifications.
- Relevant agreements or contracts.

The PDD, must explicitly state whether the CCMP holder (both collective or independent) has the right to claim the GHG reductions or removals, as represented in the validation statement.

⁸ Laws, resolutions, mandates, minutes, among others.

⁹ Such as indigenous, peasant or Afro-descendant lands, reserves, reservations or territories.

Furthermore, the CCMP must guarantee that its design and implementation does not cause forced displacements of members of social groups or promotes/involves illegal acquisition of land, facilities, or processes.

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

In this sense, all CCMPs must adhere to Cercarbono's *Guidelines for Mapping Presentation and Analysis*, available at www.cercarbono.com, in the “Documentation” section for the appropriate identification and delimitation of the CCMP's areas, processes or facilities.

- **Protection of lands or natural resources:** 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, CCMPs involving social groups (such as those in the land use sector), must establish:
 - Programs¹⁰ or measures to ensure the conservation and protection of natural resources, without discrimination (complement this item with provisions established as per in **Section 4.3.1**).
 - Effective measures to prevent the storage or disposal of hazardous materials on collective lands or territories without obtaining Free, Prior and Informed Consent (FPIC), including related contingency plans. The planning and implementation of these measures respond to compliance with the provisions established in the **security and protection law**.
 - Effective measures to ensure that health control, maintenance and restoration programs are duly developed and implemented for social groups affected by toxic materials or products. These measures respond to compliance with the provisions established in the **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) must implement measures to prevent any negative impacts on the generation, transmission and protection of their traditional knowledge¹¹ and native languages, due to CCMP implementation.

¹⁰ Or strengthen, support or respond to programs already established in their territory in line with local, regional, subnational or national planning plans.

¹¹ 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.

It must be recognized that these groups have the inherent right to maintain, control, protect and develop their traditional knowledge, cultural expressions and the manifestations of their sciences, technologies and cultures¹². That inherent right also extends to the intellectual property derived from cultural heritage¹³, traditional knowledge and cultural expressions (stories, songs, folklore, proverbs, cultural values, beliefs, rituals, etc.).

If a CCMP's development area includes sites designated as cultural heritage, the project holder or developer must guarantee that project activities will not adversely affect them. Furthermore they must submit a work plan that clearly outlines the specific actions to be undertaken for the conservation of this cultural heritage.

To complement the guidelines set out above, the CCMP must also adhere to the guidelines for effective participation detailed in **Section 4.2.2** that implicitly respond to this safeguard component for territorial and collective rights.

4.2.2 Full and effective participation

The CCMP must ensure that all project stakeholders have access to transparent, accessible, and timely information regarding the actions and activities that take place in the territory of the project area, particularly those affecting social groups¹⁴.

To meet this requirement, the holder or developer must establish and implement an **effective participation protocol**. This protocol must engage key actors from all involved social groups (e.g., community leaders, reservation authorities, among others) who serve as legitimate representatives of the communities within the project development area.

For the application of this safeguard, the holder or developer must generate an **effective participation protocol**. It must include the following components:

- 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 project's overall risk assessment.
- b. Encourage the effective participation of stakeholders, through participatory mechanisms, that allow efforts and actions to be articulated with the actors of the CCMP, so that the capacities of essential and interest actors are promoted and/or strengthened, allowing them to be an effective part of the decision-making process.
- c. Define guidelines and strategies that provide stakeholders access to clear, complete and transparent information.

¹² Comprising 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.

¹³ According to UNESCO: historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations or practices).

¹⁴ 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.

- d. Establish formal grievance and conflict resolution mechanisms, such as those set out below.
- e. Develop a plan to monitor compliance with all activities and actions proposed in this protocol.

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

This protocol must be subject to periodic evaluation and updates and must be grounded in the following core elements:

- **Inclusion:** the CCMP must encourage the participation of all parties identified, in the stakeholders mapping and analysis, while ensuring full respect for the knowledge of local, indigenous, peasant, and other communities.
- **Collaboration:** the CCMP must foster cooperation and dialogue among all stakeholders to achieve mutually beneficial outcomes.
- **Transparent extension of information:** the CCMP must provide clear and accessible information to all stakeholders regarding all planned and ongoing activities.

To do this, different communication channels must be identified and used (radio, posters, social networks, among others).

The information must be continuous and regularly/timely updated (especially prior to its publication or extension).

The information must include the expected objectives and benefits, identified risks and their mitigation measures, and breakdowns of financial data and their economic resource distribution (aimed at improving the life plans of the communities, when applicable). This shall include disclosing the benefit-sharing plan both in preliminary or draft version (for discussion and initial presentation), and in its final version (that valid for project implementation).

The effective participation protocol must be referenced in the validation report and remain available throughout the CCMP implementation.

4.2.3 Environmental and territorial safeguards

This safeguard requires the CCMP to guarantee the non-detriment of natural resources, developing measures that allow to promote conservation processes which include, as applicable, actions for protection, management, sustainable use and restoration.

To address this safeguard, the CCMP may consider integrating these requirements into a previously established **environmental management plan**¹⁵, 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, as well as compliance with these principles and procedures.

¹⁵ If within legal requirements the development of an Environmental Management Plan is mandatory, normally required 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 Conservation or management of natural resources

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

4.3.1 Reversal risk prevention and management measures

Compliance with this safeguard corresponds typically to CCMPs (such as those in the land use sector), whose scope involves flora resources (specifically its plant biomass component), or carbon sequestration through chemical or physical (storage) processes.

In this regard, the CCMP shall identify situations (such as forest fires, illegal deforestation, changes in land use and degradation of ecosystems, storage reservoir leakages, etc.) 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 impact assessment of reversal risks in the implementation of the CCMP.
- Establishing plans¹⁶ for prevention, management, and monitoring, according to identified risks¹⁷, 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 areas¹⁸, as well as compensation of such reversals, according to the current Cercarbono's regulatory framework procedures and methodology requirements. Such compensation period must be included in the CCMP's PDD and referred to in each monitoring report.

4.3.2 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 mandatory, multifaceted process that CCMP holder(s) must implement, when their activities involve, interact with, or could negatively impact social groups (as is the case of indigenous peoples or local communities) and the territories or environments in which they are established or carry out their activities. This process

¹⁶ 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.

¹⁷ They must be an integral part of the actions described in the **Section 7**, so that actions are not duplicated, but rather complemented.

¹⁸ 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.

specifically addresses the risks that could compromise the proper application of the safeguards described above as a consequence of the project's design or implementation.

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:

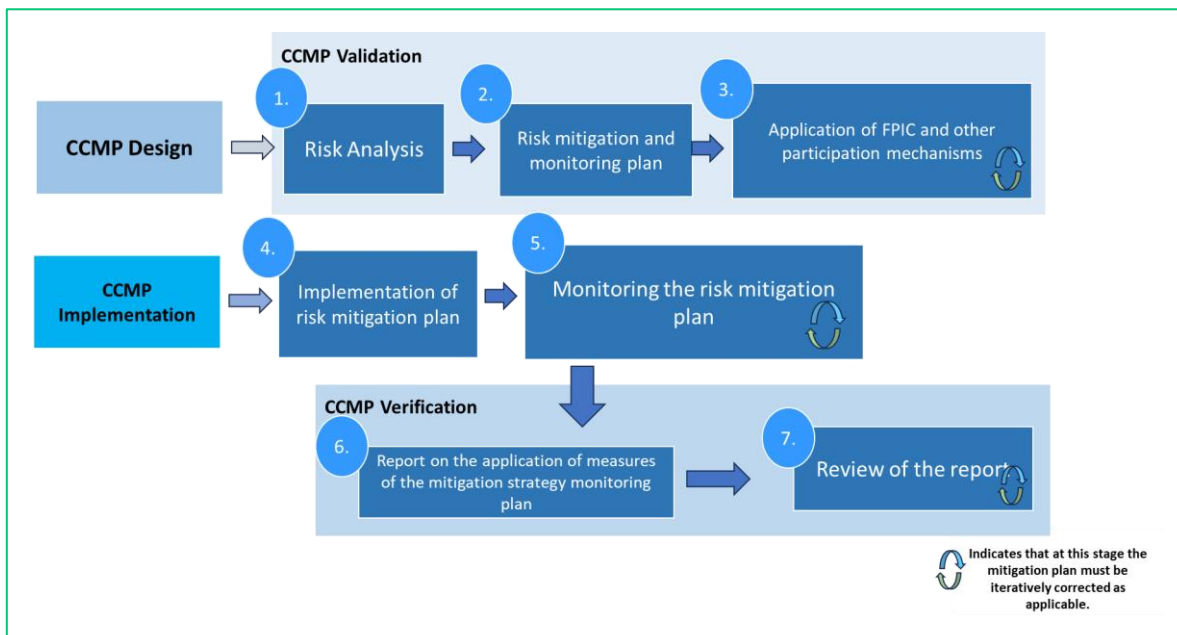
- 1) Identification of all potential risk factors. Also, identify the actors (e.g., people, inhabitants, indigenous peoples, local communities, among others, as well as CCMP's operational and administrative staff)¹⁹, systems (e.g., natural, biological or physical resources and infrastructure, among others), likely to be negatively impacted if those risks materialize both in the area where the CCMP is implemented and in its areas of influence. The analysis must establish clear cause-effect relationships, including and defining the responsibilities of each actor.
- 2) Activity-associated risks identification and management, including those related to money laundering, and terrorism financing. This involves analyzing potential/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 that includes clear actions and measures to mitigate potential negative impacts according to the risk analysis performed, as well as monitoring its application. The plan must include mechanisms for its own adjustment based on sound feedback from stakeholders, (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 groups participating in or likely to be affected by the implementation of the CCMP. This also includes ensuring the proper operation of other mechanisms that facilitate broad participation (the aforementioned groups, as well as 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**).

¹⁹ 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.

- 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 that details and reports the progress, extent and results of the risk mitigation plan, including any adjustments or corrective measures applied. (see **Section 8**).

Figure 2 describes the sequence and relationship between the different processes and actions during the CCMP's design and implementation stages.

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



6 Full and effective participation instruments

For the adequate application of the safeguards, the full and informed participation of CCMP stakeholders must be guaranteed. Special relevance must be given 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. These include indigenous peoples and local communities, as well as those who could experience direct negative impacts by the CCMP's implementation even if they do not participate or reside/develop activities in the areas.

To that end, the principle of Free, Prior and Informed Consent (FPIC) must be applied during the project's design 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- (inter-alia, the details and outcomes, as well as the performance of the benefit-sharing plan or mechanism, as applicable), including full attention and response to comments, opinions and requirements for further consideration in the CCMP design and/or the risk mitigation plan applied- are validated and verified, as applicable 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. These 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, operating 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 decision must not be the result of coercion-, intimidation-, or pressure and must be given freely. Once the decision-makers have received complete, clear, trustworthy information, related not only to the benefits that could be obtained from the implementation of the project, and the benefit-sharing plan or mechanism intended for them, both in preliminary or draft version (intended for initial presentation and discussion), and the final version of such benefit-sharing plan, including prospective and current outcomes and performance, 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. This is done in order to identify who will be asked to grant their FPIC and how decisions are made within 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 elements established herein. These protocols shall always be considered as a starting point or complementary to these guidelines.

The minimum elements the 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 plan or mechanism²⁰.
- 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** and its **Anti-Bribery and Anti-Corruption** policies, 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, following up on them and guiding the issuer on the status of their request or expression, or steps to be followed, as applicable.

²⁰ Which must include a benefit-sharing plan and the documented process for arriving to the final version of such plan, departing from the preliminary or draft plan version initially presented and discussed.

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 as well as 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), must provide Cercarbono with a list of key actors, in which at a minimum, the community head(s) or their 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, must 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 upon its registration to the standard.
- Cercarbono will proactively inform the individuals and entities (persons, groups, organizations) included in this list, about key aspects or activities, related to the course of the CCMP through the certification cycle (e.g., the start and end of public consultation), regardless of communicating it through the described mechanisms. Cercarbono reserves the right to inform any other actors, organizations or entities it considers to be relevant 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 assessing the risks arising from the CCMP implementation, that could potentially generate negative impacts either directly or indirectly, as a result of such activities, whether from a social, economic or 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, and 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 no 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 those effects that may arise as a result of its implementation, thereby guaranteeing that no net damage is caused.

The risk analysis and its supporting documentation must be presented as annexes to the PDD.

The following section provides guidance that CCMPs may use for the risk identification, assessment, and management process.

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 take effective action 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 mitigation 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 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, assessments 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 report in the

monitoring report on 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 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 that other safeguards have been complied with, through the completion of the **Safeguards Compliance Report** template and the **Sustainable Development and Safeguards Focus Areas Compliance Statement**, available at www.cercarbono.com, section: Documentation, duly filled and signed by the holder or developer and evaluated and signed by the VVB.

In the verification stage, the Cercarbono-approved VVB will verify that the CCMP includes in the monitoring report, a summary of the risk mitigation plan's application, including its extent and degree, results, and alignment with such plan through the completion of the **Safeguards Compliance Monitoring Report** template. The VVB will detail in its verification report or in the joint validation and verification report, when applicable, 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. In verification, the CCMP must submit the **Sustainable Development and Safeguards Focus Areas Monitoring and Compliance Statement**, available at www.cercarbono.com, section: Documentation, duly filled and signed by the holder or developer and evaluated and signed by the VVB.

Please refer to **Table 1** Management of documentation complementary to these guidelines.

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, as 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 established in **Section 8**. In the event that the CCMP does not have a compliance safeguard report due to the version of the Cercarbono Protocol applicable at the time of its validation, it must submit the **Sustainable Development and Safeguards Focus Areas Monitoring and Compliance Statement**. In such cases, a risk

analysis may be carried out so that, regardless of what the regulatory framework indicates, the relevance of implementing some or all of the provisions regarding safeguard compliance is assessed. For this purpose, the ***Safeguards Compliance Monitoring Report*** template may be used and adapted.

10 Special situations

If an exception to a specific safeguard principle or requirement arises due to particular circumstances or any other unforeseen conditions, it must be addressed in consultation with Cercarbono before implementing such an 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. Spanish version, including adjustments to harmonize versions based on ICVCM's terminology and requirements.
3.0	30.04.2026	Given the incorporation of operational improvements to Cercarbono's safeguards, in this version the revised and new templates regarding safeguards' compliance statement, compliance report, and compliance monitoring are referred to. Specific mention and treatment about benefit-sharing plan or mechanism features have been included. Extended, explicit provisions are included, regarding companies, individuals, or organizations participating either directly or indirectly in the CCMP development and implementation, on their obligation to provide such workers full labor protection to ensure fair working conditions and a healthy working environment, prohibiting practices related to human trafficking, forced, or child labor, among others. This document is published upon finalization of the six-month test period of the safeguards' compliance statement, compliance report, and compliance monitoring templates.

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 affected social groups²¹. The legal representatives²², organizations, or other actors representing them must also be identified.
3. Carry out a **Prior Consultation**²³, in line with Article 32 of the United Nations Declaration on the Rights of Indigenous Peoples. This must be done after stakeholders are identified but before project activities begin. During this consultation, social groups are informed about the CCMP's objectives and planned activities. 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 feedback 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, in the form of a preliminary or draft benefit-sharing plan or mechanism intended for discussion at this stage, considering accessibility in terms of disclosure in native or usual language of involved groups, respecting the culture and social organization modalities of these groups, within the framework of applicable laws and regulations.

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 from all involved or affected social groups (including gender equity-, and representative participation-related matters²⁴), 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, their governance structure (see **Section 4.2.1**), and stakeholders' participation (see **Section 4.2.2**). In addition, the

²¹ The CCMP may have an independent facilitator or expert to avoid bias to support the participation of social groups in the process.

²² 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.

²³ 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).

²⁴ Elements considered in **Section 6** on effective and full participation.

process, decisions and agreements generated (including the expected changes in the well-being of stakeholders (especially social groups) and in the natural resources that the CCMP will generate) shall be documented. In particular, the final benefit-plan version reached through prior consultation and FPIC processes, shall be disclosed among project participants, including documenting the pathway and relevant discussions held to arrive to such final version. Compliance and outcomes of such benefit-sharing plan shall be verified by the VVB in charge at each verification event.

In the event the social groups do not grant the FPIC, their final decision must be respected.

However, the CCMP can generate dialogues that allow agreements, alternatives or adjustments to obtain the FPIC. If the FPIC is still not granted, then the CCMP holder or developer should carefully consider whether the CCMP can continue, while respecting the rights of indigenous peoples, without affecting their territories, as part of the project's area of influence, doing so 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 those rights are adversely affected, 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 land 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's 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 so that all interested parties, including social groups, can access to the relevant information of the project. This information must be transparent, timely and expressed 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, including, but not limited to:

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

The CCMP shall establish information access points, which may be physical (by establishing headquarters, offices, or a 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 being in touch constantly).

• Grievance and dispute resolution mechanism

The CCMP must set up a mechanism to address complaints, through which stakeholders or the general society can inquire, present their complaints, doubts or concerns related to the project activities. This must be done 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, prioritizing dialogues for conflict resolution.

CCMPs shall incorporate strategies to promote dialogue and effective communication with stakeholders or communities. Intervention processes to address inquiries, complaints, and

concerns from stakeholders or community members in areas where CCMPs are implemented, shall be developed, featuring:

- 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 its not feasible to do so in that period, an extension can be granted, as long as a valid reason for the delay is provided.

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 Mini site on the EcoRegistry platform.
- **Grievance mechanism:** active at Cercarbono's 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 the 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 a benefit-sharing plan or distribution mechanism, especially when it involves social groups (the product of discussing a preliminary version of it during the prior consultation and FPIC obtainment stages and reaching agreements thereof to arrive to a final version), that allows 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; the subject benefit-sharing plan, its outcomes and performance reports shall be validated and verified by a VVB as applicable.

Benefits can be classified as financial, or 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, following the subject benefit-sharing plan or mechanism agreed upon as per the FPIC and associated documentation, 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 and management, how resources have been invested, the obtained results, 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 reports²⁵ 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*.

²⁵ 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 of the risks, should they occur.
- Assigned priority level.
- Risk-associated responsibility and 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, 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 parties 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) Sustainable use of energy (as applicable)

- d) Sustainable use of land (as applicable)
 - e) Protection of biodiversity (as applicable)
 - f) Identification and evaluation of impacts (direct and indirect).
 - g) Impact mitigation proposal (management activities).
 - h) Environmental impact assessment report.
 - i) Public consultation of the environmental impact assessment report.
 - j) 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 that a matrix containing the following columns is generated: 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 party 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. When referring to labor and occupational safety conditions, it shall be understood that applies both for directly employed CCMP workers, or those indirectly hired by third parties having any involvement in the CCMP design, development, implementation, operation, auditing, maintenance or goods / services supply, which must be protected as provided in **Section 2** and **Section 4.2.1.1**.

Table 1. Potential risks identified by the CCMP.

Social risks
<ul style="list-style-type: none"> • Violation of territorial rights. • Social conflicts. • Acts of corruption. • Gender inequity and discrimination. • Forced labor. • Physical displacement of individuals or population. • Inclusion of child labor in work contexts. • Occupational safety conditions. • Disruption of local governance.

Social risks

- Forced displacement of communities.
- Food insecurity.
- Fragmentation of initially formed population or social groups.
- Changes in the communities' internal power dynamics.
- Tenure of the areas where the project is implemented.
- Forced land acquisition and resettlement.

Economic risks

- Rising living costs.
- Low cash flow.
- Market changes or fluctuations.
- Economic dependence on income from carbon credits.

Cultural risks

- Loss of traditional knowledge.
- Changes in traditional practices.
- Distrust of the project implementers.
- Cultural resistance that generates conflicts between the community and developers.

Environmental risks

- Habitat destruction.
- Loss of flora and fauna species.
- Degradation of natural resources.
- Pollution of natural resources.
- Natural disasters.
- Fire generation.
- Disposal of toxic chemicals.
- Noise proliferation.
- Limited or ineffective adoption of sustainable alternatives.
- Changes in land use or displacement of initial activities.
- 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 time or cost impact 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 their 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, (and complemented as required), to comply with the provisions included in this document.

In **Table 3** an example that is applicable to the assessment of risks identified by a given CCMP is provided, so that the probability of occurrence of the risk is classified as “**Low**”, “**Medium**” or “**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 the impacts are less significant than the ones classified as high, and can be adequately addressed and/or mitigated. “**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)