

The Climate Stewards Seal of Approval Standard



1. Background

The Climate Stewards “Seal of Approval” (SoA) framework enables organisations to assess the carbon mitigation potential of community carbon offset projects in the developing world. The SoA can be used for small scale forestry projects, as well as renewable technologies such as fuel-efficient cookstoves, fireless cookers, water filters and small-scale solar power.

Gaining a Seal of Approval enables local NGOs and community-based organisations to access funds from voluntary carbon offsetting through projects which bring local benefits, including improvements to livelihoods, health, biodiversity, gender equality, financial savings, and building the capacity of local CBOs, climate resilience and, adaptation alongside carbon mitigation

The SoA can also be used by A Rocha national organisations, international NGOs and mission agencies wishing to ensure that their own (or their partners’) carbon mitigation projects (which may be funded internally from their own offset budget) are of high quality.

By relying on existing project data and publicly available data, working through trusted partners, and using local third parties to verify reporting information, the SoA framework is simpler than other voluntary carbon standards that have MOUs with International Carbon Reduction and Offset Alliance (ICROA) members. This ensures that as much as possible of the carbon offsetting income goes to local communities, while delivering high standards of design, implementation and accountability.

While every SoA project will generate a calculated quantity of carbon savings (known as “carbos”) these are not tradeable “carbon credits” and are not eligible to be registered or traded on any of the carbon trading exchanges.

The Seal of Approval protocol was reviewed by Aster Global in June-October 2020.¹

2. The Process

Organisations with existing or proposed carbon offsetting projects are invited to contact projects@climatestewards.org to arrange an exploratory conversation by phone/Skype/Zoom etc.

If CS staff think the project is likely to meet the SoA criteria, the applicant is invited to complete an application form and submit supporting information.

We require project partners to be involved with everything from baseline studies (the “before we started” part of the project) through to active and ongoing monitoring and evaluation. We provide survey forms and other tools for our partners to use.

This is an iterative process – Climate Stewards works closely with each partner to help them design a project that meets the following criteria:

- **Real, measurable, traceable:** A carbon offset is worthless if it’s not possible to show that it is linked to real emissions reductions or removals. Projects must use one of the Seal of Approval methodologies to ensure net GHG emission reductions or removals have already taken place (ex-

¹ https://climatestewards.org/downloads/Climate_Stewards_SoA_Review_by_Aster_Global.pdf

post) or are only forecast for a limited number of years (ex-ante) as agreed in advance with Climate Stewards, and are measurable.

- **Counted only once:** Credits can be used only once for claims to offset GHG emissions. Each tonne of CO₂e (carbo) is recorded on a central database maintained by Climate Stewards to ensure no double counting.
- **Permanent:** Permanence is about minimising the chance of reversals – sequestered carbon being re-released, or emissions increasing after the adoption of a new technology. Forestry projects shall be designed to minimise the risk of unforeseen events such as fire, disease, felling for development, etc. An **insurance buffer** is calculated based on a Climate Stewards risk assessment carried out in conjunction with the partner, to insure against such events and tracked to ensure this is sufficient. For forestry projects, the life or duration will be limited to a maximum of 15 years to reduce risk.
Working with the project partner, we ensure that the budget covers all project costs including appropriate support throughout the project term. This could include, for example, providing training, resources and an allowance to pay community-based ‘buddies’ to support their neighbours in using water filters or cookstoves, thus maximising their long-term effectiveness and benefits.
- **No leakage:** Projects shall be carefully planned in consultation with the local community to ensure that emission reductions in one area don’t cause an increase in emissions outside the project boundary e.g. cutting trees elsewhere to make up for land lost due to afforestation. Control of leakage is limited to reasonable project developer due diligence.
- **Accuracy:** Projects must take every effort to accurately record baseline and monitoring measurements and data as required by Climate Stewards. For each type of offset project, we have developed a methodology to calculate anticipated emissions reductions and removals, and to verify them as the project goes forward. All of our methodologies are based on publicly available information and data (for example, Defra and IPCC emissions factors, carbon intensity of local grid electricity, carbon sequestration and mitigation rates from differing activities and technologies, etc.). We make these methodologies available on our website so that others can check our figures, understand our calculations, and see how we got the results we are claiming for each project.
- **Conservative:** Projects must use conservative assumptions, values and procedures (based on publicly available data and standards) to ensure emissions reductions are not overstated. For ex-ante carbos, risk of delivery is mitigated via protections (insurance buffers, governance documents, community engagement and payment for performance).
- **Additional:** See Appendix 3 for details of how additionality is determined for projects.
- There shall be robust and transparent mechanisms for **monitoring, reporting and evaluation**
- Applications shall demonstrate **clear, traceable project ownership and strong, long-term partnership agreements** with local communities and other stakeholders.
- **Financial and environmental sustainability:** proposals shall elaborate a plan for mid- to long-term stability of the intervention (including the time after the project is completed).
- Projects must include **multiple co-benefits beyond offsetting GHGs**, such as climate resilience and adaptation, improving local livelihoods, biodiversity, gender equality, building the capacity

of local CBOs, education and further education. These must be set out in the application, and monitored regularly.

- Projects must **do no harm**: there should be no unintentional negative ecological or social impacts due to the intervention(s)/investment(s).
- Projects must include **fairness in distribution of benefits and opportunities**, equal chances and substantive equality as well as prohibition of unfair distinction based on sex, age, national or ethnic origin, language, religion, sexual orientation and disability.

3. The Seal of Approval Licence

If a project meets the SoA criteria, Climate Stewards will award a Seal of Approval Licence detailing the data on which the SoA calculations are based, and the tonnes of CO₂ (“carbos”) which are expected to be mitigated by the project over its lifetime. By using ‘ex ante’ calculations, projects with no other sources of funding are able to finance the up-front costs of development.

A Seal of Approval Licence is valid for one year and will be renewed annually on the basis of project monitoring reports from the previous year.

Projects pay an initial fee to cover the cost of analysing the baseline and monitoring data, supporting the partner organisation to amend the project where necessary, and issuing the SoA. They also pay an annual fee to cover verification of reporting data and issuing of the annual licence.

Holders of a SoA may display the SoA logo on their project web page and other publicity material, and link to the relevant SoA licence for the period for which it is valid.

Climate Stewards may choose to support a SoA project by purchasing carbos to include in our portfolio of projects supported.

Appendix 1: Definitions

- **Carbo:** One tonne of CO₂e which has been mitigated through the project
- **Carbon offsetting income:** Income received by the project from the sale of carbos. This income pays for all budgeted project costs over the life of the project, including costs associated with incentive (PES) schemes and community benefits.
- **CO₂e:** a unit used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
- **Distribution of benefits:** these may include Payments for Ecosystem Services, NTFPs, and the benefits delivered by the project technology.
- **Fair:** projects must be designed to give fair access to all in the community to participate, and fair distribution of benefits to project participants.
- **Greenhouse gases (GHGs):** manmade and natural gases which absorb and emit infrared radiation, causing the greenhouse effect. These include water vapour (H₂O), carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄) and ozone (O₃) as well as very small amounts of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).
- **Insurance buffer:** a percentage of a carbon removal or reduction estimate that is recorded and set aside to allow for risks associated with the particular project. The buffer will not be included in stocks of carbos.
- **Local third parties:** Local or national NGOs or Churches known to Climate Stewards or our partners.
- **Non-timber forest products (NTFP):** These are products other than timber that is naturally produced in forests and can be harvested for human use without cutting down trees, for example nuts, berries, mushrooms and seeds, or non-food items such as oils, perfumes and medicinal plants.
- **Payments for Ecosystem Services (PES):** in some cases it is appropriate to pay farmers or other project participants for their role in planting and caring for permanent trees. Payments are made on completion of surveys of tree growth rates at fixed intervals over the life of the project.
- **Project term:** the budgeted life of the project – this varies according to technology and partner, based on baseline and monitoring data supplied at start of project, and modified if necessary.
- **Publicly available data:** published data from reliable sources.
- **Seal of Approval methodology:** assumptions, calculations and process for measuring carbon emissions reduction and removals from projects.
- **Trusted partners:** Community-based organisations (CBOs) linked to recognised NGOs or church-based organisations with whom Climate Stewards has a relationship.

Appendix 2: Additionality

The Climate Stewards tool for assessing the additionality of a project is based on the “CDM Tool for the demonstration and assessment of additionality”.²

The tool has four steps. After Step 1, either Step 2 or Step 3 is used depending on the needs of the assessment. Step 4 is used whichever combination of Steps 2 and 3 is used.

Step 1 – Alternatives

Step 1 looks at alternatives available to the partners or Climate Stewards that could achieve the same result as the intended project.

This would include the proposed project being carried out to a similar level and quality without Climate Stewards’ help or intervention.

The step asks whether Climate Stewards (and by extension the carbon funding associated with the project) is needed.

Consideration is also given as to whether a given project could become mandatory anyway – e.g. government decrees that all households must switch to clean cookstoves.

Step 2 – Economics and Finances

Step 2 looks at the economics and finances of the project. Is the project the most financially attractive way of achieving the desired goal? Can the goal be achieved without carbon financing?

The step asks whether the project would happen without offsetting funding.

Since Climate Stewards SoA projects don’t seek outside investment from third parties no consideration is given the questions such as ROI, NPV or other returns.

For projects that funded from internal offsetting, i.e. where an organisation is planning to fund a project through the internal “sale” of offsets, then that spending should meet the organisation’s own criteria for spending funds (ROI, etc.) as a matter of good financial management.

Step 3 – Barriers

Step 3 looks at barriers to the project – issues other than economics/finances that would stop the project being carried out if it wasn’t an offsetting project.

This step looks at issues such as a lack of trained people, lack of infrastructure or a lack of available technology that would be a barrier to the project happening without carbon funding – for example, for a forestry project, expert advice from a forester/ecologist is essential to the success of the project. A lack of such an expert in the absence of carbon funding would be a barrier.

Step 4 – Common Practice

Step 4 looks to see if others are doing similar things at a similar scale, of a similar quality and with similar effects that don’t rely on carbon offset funding.

An example would be micro-scale solar which is typically often within a community by micropayments to a commercial enterprise that puts the technology within the reach of ordinary people. An externally funded project giving away (or heavily subsidising solar panels) might be a threat to the stability of such an enterprise within a community.

² <https://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-01-v7.0.0.pdf>