

Terms of reference, procedures and workplan for revision of the Climate, Community & Biodiversity Standards

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Introduction

The Climate, Community & Biodiversity Alliance (CCBA) is a partnership of leading companies and NGOs¹ that was created in 2003 to leverage policies and markets to foster the development of forest protection, restoration and agroforestry projects around the world that deliver significant climate, local community and biodiversity benefits. CCBA produced and promotes a set of standards that can be used to evaluate land-based carbon mitigation projects from the early stages of development. The Climate, Community & Biodiversity (CCB) Standards foster the integration of best-practice and multiple-benefit approaches into project design and evolution. To earn approval under the CCB Standards, projects must satisfy 15 required criteria to demonstrate compelling net benefits for fighting climate change, conserving biodiversity, and improving socio-economic conditions for local communities. The CCB Standards were created through a rigorous two year development process based on input from community and environmental groups, companies, academics, project developers and others with expert knowledge or affected by the standards. The Standards were then tested on projects in Asia, Africa Europe and the Americas and peer reviewed by the world's leading tropical forestry institutes: the Center for International Forestry Research (CIFOR) in Indonesia, the Tropical Agricultural Research and Higher Education Center (CATIE) in Costa Rica and the World Agroforestry Centre (ICRAF) in Tanzania. Since their release in May 2005, the CCB Standards have become the most widely used and respected international standard for the multiple-benefits of land-based carbon projects and are being used by over 80 projects worldwide. In order to maintain the relevance and influence of the CCB Standards in response to opportunities created by the changing policy and market environment and to ensure their usefulness for as broad a range of multiple-benefit land-based projects as possible, CCBA has decided to launch a revision of the CCB Standards based on feedback from a wide range of users.

¹ CCBA members include six companies—BP, Intel, SC Johnson, Sustainable Forestry Management, Weyerhaeuser and GFA (Germany)—and seven NGOs—Conservation International, CARE International, the Hamburg Institute of International Economics, Pelangi Indonesia, Rainforest Alliance, The Nature Conservancy and the Wildlife Conservation Society.

Scope of the CCB Standards

The CCB Standards identify land-based projects that are designed using best practices to deliver robust and credible greenhouse gas reductions while also delivering net positive benefits to local communities and biodiversity. They can be applied to any land-based carbon projects including those that reduce greenhouse gas emissions from deforestation or forest degradation (REDD) and those that reduce carbon dioxide by sequestering carbon for example from reforestation, afforestation, forest restoration and agroforestry.

The CCB Standards are a project design standard and offer rules and guidance for project design and development. They are intended to be applied early on during a project's design phase to ensure robust project design and local community and biodiversity benefits. CCB validation requires an independent third party to assess the design of the project based on a document review combined with a site visit and taking account of comments received during a public comment period for compliance with each of the required and optional 'point scoring' criteria. To keep its CCB validation, each project must be verified, currently required every 5 years. Verification includes a project document review by the auditor and a site visit to check on project implementation and monitoring results in addition to any changes in project design. CCB verification is a qualitative evaluation that confirms carbon benefits as well as the environmental and social benefits of the project. Since the CCB Standards do not provide for a quantitative certification of the carbon benefits they can be combined with another standard such as the Voluntary Carbon Standard for verification and registration of carbon credits.

There is no geographical restriction or limit on project start date for use of the CCB Standards. They can be used for projects funded with private and/or public investment designed for regulatory or voluntary carbon markets.

Summary of 1st Edition of CCB Standards

For more complete information about the 1st Edition currently in use please download from www.climate-standards.org.

Climate change mitigation impacts must be measured using methodologies of the Intergovernmental Panel on Climate Change's Good Practice Guidance (IPCC GPG) for Land Use, Land Use Change and Forestry (LULUCF) or any methodology approved by the CDM Executive Board to estimate the net change in carbon stocks and non CO₂ GHG emissions due to project activities.

Local stakeholders, referred to in the CCB Standards as 'communities', including individuals, definable groups, organizations or governments that have a stake in, or may be impacted by proposed project activities must be identified and engaged early on in project design. The impacts of project activities on the social and economic wellbeing of local stakeholders, covering onsite and offsite impacts, must be defined and monitored in order to demonstrate the positive community benefits required for conformance with CCB Standards.

Similarly, the impacts of project activities on biodiversity, the variety of species, within species and ecosystems and the processes on which they depend, must also be evaluated and monitored demonstrating a net positive benefit and no increased threat to endangered species for conformance with CCB Standards.

Best practices for project design include requirements that the project design be based on good socio-economic, cultural and environmental knowledge of the site and on a solid legal framework ensuring no significant land tenure disputes and must be developed and implemented in a transparent manner to enable effective collaboration with stakeholders.

All climate, community and biodiversity benefits being claimed by the project must be 'additional', not be likely to occur without the project, and must, therefore, be compared against baselines associated with the most likely land-use scenario in the absence of the project. Any offsite impacts that could result from 'leakage' or shifting of impacts to other sites as a result of the project must be taken into account. All project benefits must be evaluated for the entire project life-time or project accounting period with convincing justification for the 'permanence' of benefits.

Justification for the CCB Standards

The Intergovernmental Panel on Climate Change's fourth assessment report documents impacts of human-induced climate change that are already occurring and will worsen in coming decades causing dramatic changes to ecosystems, to productivity and to the global economy. The effects will be particularly devastating for poor people who rely on natural resources and have minimal reserves and capacity to cope with the expected changes. To add to the problems, climate change will accelerate the ongoing loss of biological diversity that is the basis of healthy ecosystems on which all life depends.

Well designed land-based activities are an essential component of strategies to mitigate climate change, by expanding effective greenhouse gas emissions reductions through avoiding deforestation and forest degradation and by removing carbon dioxide from the atmosphere by sequestering carbon through reforestation and agroforestry. Land-based climate change mitigation activities also have exceptional potential to deliver additional benefits. When sensitively designed, they can help local people by generating sustainable livelihoods through diversification of agriculture, soil and water protection, direct employment, use and sale of forest products and ecotourism, all of which can also help to build capacity to adapt to the effects of climate change. They can also make a substantial contribution to conserving biodiversity by restoring and protecting natural ecosystems around the world, saving threatened animal and plant species from extinction and maintaining resilient and productive natural life-support for humankind.

Exemplary land management projects can cost-effectively address multiple global problems simultaneously. Multiple-benefit projects are also more likely to attract a diverse portfolio of investors. For example, a reforestation project with obvious environmental and social co-benefits may attract private investors for the carbon credits, government money for sustainable development and philanthropic grants for biodiversity support.

Conversely, poor-quality land management can result in negative tradeoffs between various outcomes. For example, a non-native plantation may sequester carbon, but it brings negative impacts in other spheres if it blocks migratory routes of key species or evicts local people. Although major international agreements call for integrated approaches to global problems, there is little concrete guidance on how to develop such holistic projects.

The CCB Standards were created to foster the development and marketing of projects that deliver credible and significant climate, community and biodiversity benefits in an integrated, sustainable manner. They enable identification of land-based carbon projects that are designed using best practices to deliver robust and credible greenhouse gas reductions while also delivering net positive benefits to local communities and biodiversity.

As a project design standard, the CCB Standards are useful as a design tool to guide project development to ensure robust multiple-benefits will be delivered. Project design standards are especially valuable for forestry projects which often require significant upfront investment before carbon credits are generated and a carbon verification standard can be used.

The CCB Standards are beneficial to a variety of users, including:

1) Project Developers and Stakeholders – Community groups, NGOs, agencies and others use the CCB Standards for guidance in developing projects that deliver a suite of environmental and community benefits and also to demonstrate the high quality and multiple benefits of their project to potential investors and other stakeholders from an early stage. Projects that meet the CCB Standards are likely to garner preferential investment and even a price premium from funders that support multiple-value projects and best-practices projects.

2) Project Investors – Private companies, multilateral agencies and other funders investing in carbon credits can use the CCB Standards as a project screen. The Standards help investors minimize portfolio risks by identifying high-quality projects that are unlikely to become implicated in controversy. Multiple-benefit projects create valuable goodwill and other ancillary returns for investors. Social and environmental benefits and sustainability are also an important means to reduce risks to the permanence of the carbon credit asset.

3) Governments – Governments of countries hosting projects can use the CCB Standards to ensure that projects will contribute to national sustainable development goals. Also, donor governments can use the Standards to pinpoint Official Development Aid (ODA) projects that efficiently satisfy multiple international obligations, such as the Millennium Development Goals and the UN conventions on Climate Change and Biological Diversity.

Goal of the CCB Standards

Major funds flow into land-based activities that simultaneously benefit the global climate, local communities and biodiversity from a robust, global carbon market for multiple benefit land-based carbon credits.

Objectives of the CCB Standards

1. To foster market confidence in carbon credits from land-based activities;
2. To develop investor preference for additional community and biodiversity benefits;
3. To stimulate development of multiple-benefit land-based carbon projects at scale;
4. To stimulate major financial flows into projects that benefit climate, communities and biodiversity.

Need for revision of the CCB Standards

The use of the CCB Standards has grown rapidly since their release in May 2005. Two projects were validated against CCB standards in 2007 with a further five undergoing validation by the end of 2007 and a total of 80 projects that have indicated to CCBA their intent to use them. 40% of these are in Latin America, 34% in Africa, 19% in Asia and 4 projects each in Europe and Australasia. 28% of these projects will involve reduced emissions from deforestation or degradation (REDD), 24% reforestation, 23% native forest restoration, 10% sustainable forest management and 3% afforestation. This rapid and broad uptake across geographic areas and project types is a testament to the utility of the CCB Standards. The preponderance of projects in tropical developing country regions, and particularly in Africa where there have been relatively few projects registered under the Clean Development Mechanism suggests that the CCB Standards are playing a role to stimulate project and market development to channel carbon market investments to areas where funding is most greatly needed for sustainable development, improved livelihoods and biodiversity conservation. The relatively high number of REDD projects reflects the high potential multiple benefits associated with REDD and the growing interest in this project type in response to the increasingly favorable policy environment. Several investors have declared their intention to give a preference to, give a premium to, or exclusively purchase land-based carbon offsets derived from CCB projects. Much remains to be done to stimulate the market further and bring these multiple-benefit projects to scale, but the rapid developments to date indicate that the CCB Standards are making important contributions towards their goal of catalyzing a robust carbon market for multiple-benefit projects.

In order to retain this influence, the CCB Standards must respond to investor interests and concerns that are in large part affected by the rapidly changing policy environment and public opinion. In part, this revision aims to maintain the relevance of the CCB Standards in response to these changes, for example with respect to opportunities related to REDD, potential use alongside new carbon verification standards and new methodological and technological approaches for evaluation of multiple benefits.

Another objective of the revision is to improve the standards to cover the full range of potential project types and circumstances, a process which will be greatly informed by feedback from the wide range of current users of the CCB Standards, including project

developers, local and other stakeholders, investors, NGOs and Government agencies. The majority of feedback on use of the CCB Standards to date has been overwhelmingly positive and does not indicate the need for a major revision.

Procedures for the revision process

- CCBA will prepare terms of reference for the CCB Standards and their revision defining the scope, justification, objectives, continued need for the standard and the need for revision.
- CCBA will publish the terms of reference for the revision, the procedures for revision and the work program providing a contact name and address and giving interested parties the opportunity to comment on them.
- CCBA will define the interested parties, those with expertise relevant to the subject matter of the standard and/or materially affected by the standard, ensuring that participation in the revision process reflects a balance of interests.
- A public review phase will include at least two rounds of comment submissions by interested parties, where necessary. Each round should last for 60 days but may be shortened to 30 days where justified by a policy of CCBA. A second round is only necessary when unresolved issues persist after the first round.
- CCBA will compile all comments received according to issues raised and a written synopsis prepared and made publicly available of how each material issue has been addressed in the CCB Standards revision.
- CCBA will ensure a permanent mechanism to document comments and requests for clarifications on existing standards so they can be considered in a future revision process.
- CCBA will strive for consensus among a balance of interested parties with respect to the revision. This can be done by creating a committee for development of the revised standard.
- CCBA will define a decision-making procedure in the absence of consensus.
- The revised standard will be published on the CCBA website with an approved timeline for transition to use of the new version.

Roles and attributions of entities involved in the revision process

The CCBA Director (Dir) is responsible for the drafting of all documents, the circulation of information for review or approval as defined in the revision procedure, the receipt of comments, compilation of a synopsis and responses on how issues raised have been in addressed in the revision and publishing of approved documents on the website.

The full CCBA membership (CCBA Members) is the final decision making body of the CCBA. In the context of revision of the CCB Standards, the CCBA Members approve the terms of reference, the revision procedure, the work program, the creation of a CCB Standards Committee and the final version of the Standards.

The CCB Standards Committee (SC) will be created by the CCBA membership defining composition, role, attributions and decision-making processes to reflect a balance of interested parties including CCBA members and others as appropriate. The Standards Committee is responsible for assisting the Director with drafting new versions of the

Standards and responses to comments and approval of these drafts prior to submission for public comment or to CCBA membership for adoption.

Work plan for revision of the CCB Standards (updated June 13, 2008)

Step	Tasks	Entity responsible	Proposed timing
1	Draft TORs, revision procedure, work plan and circulate to CCBA members.	Dir	1 Feb 2008
2	Approve TORs, procedure, work plan. Review provisional SC from CCBA general meeting and provide comments and suggestions on additional SC members.	CCBA members	8 Feb
3	Publish TORs, revision procedure, workplan on website.	Dir	15 Feb
4	Facilitate process for nominations of SC members	Dir	Feb
5	Creation of SC	CCBA members	March
6	Propose amendments to Standards	SC	March
7	Prepare synopsis of proposed amendments	Dir	March
11	Produce first draft of revision	Dir + SC	April – May
12	Approve first draft and decide on length of comment period depending on the level of agreement among comments	SC	June
13	Launch 60 day comment period	Dir	13 June
14	Compile comments, prepare a response and prepare second draft of revision	Dir + SC	August – Sept
15	Approve second draft	SC	Sept
16	Launch 30 day comment period	Dir	Oct
17	Compile comments and responses and prepare final version of revised standards with a timeline for their use	Dir + SC	Nov
18	Approval of final version of revised standards and timeline	SC	Dec
19	Revised version of the CCB Standards and timeline are posted to the website for free download and disseminated by email to stakeholders. Revised versions are prepared for all languages in which the first edition of the Standards was available (French, Spanish, Chinese, Japanese) within 3 months of publication of the revised version.	Dir	January 2009