

Credible Carbon Standard

*Established in 2008 by the Promoting Access to carbon Equity (PACE) Centre;
registered as a private company in 2016 (2016/027710/07)*

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Vision: Since 2008, Credible Carbon has been inspired by the need for low carbon, climate resilient and socially inclusive economies.

Mission: Credible Carbon is a standard and a registry committed to extending market access to projects that reduce both greenhouse gases and poverty in Sub-Saharan Africa in an accountable manner.

Purpose: Ensuring global decarbonisation contributes to poverty alleviation in Sub-Saharan Africa.

Regional focus and environmental and social compliance

- Credible Carbon only supports projects in Sub-Saharan Africa.
- Projects are expected to comply with the environmental legislations of the country in which they operate.
- Credible Carbon requires each project to be located within a single country to ensure standardisation of regulatory requirements.

Methodologies, Measurability, Ownership:

- In approving project offsets, the emphasis for Credible Carbon is on project data that demonstrates emissions reductions in ways that are “permanent”, “measured” and “additional” to business as usual.
- Unless operating in a country with its own Methodology/ Scientific Panel operating under Article 6 of the Paris Agreement, projects are required to reference a Verra, Gold Standard or CDM methodology (or methodologies) that they follow in terms of boundary conditions, leakages and carbon accounting approaches.¹
- A single project may apply more than one methodology.
- Only emissions savings that can be measured (directly or indirectly via material measurements and emissions factors) and attributed to the project activity can be counted towards carbon credits.
- It is the responsibility of projects to ensure that credits claimed by the project are the rightful property of the project, and that credit ownerships disputes are avoided. Carbon auditors contracted by Credible Carbon are required to verify this ownership.

¹ Credible Carbon is waiting to hear if South Africa will establish a single Scientific Panel. If not, we will establish our own scientific review panel comprised of local experts in Q1 2023.

Issuance:

- All Credible Carbon credits must be issued into the digital Credible Carbon registry.
- All Credible Carbon credits are subject to a registration agreement between the project and the registry. Credible Carbon requires exclusive access to issued credits for a minimum 12-month period.
- The registry does not accommodate listings of credits in more than one registry at any given time, unless this listing is into is a national or local government carbon administration registry for carbon tax or greenhouse gas inventory purposes under Article 6 of the Paris Agreement (e.g. COAS in South Africa).

Carbon audits:

- The purpose of the audit is to verify the information that buyers of credits require to make confident and informed decisions about the emission reductions and co-benefits generated by a project.
- Carbon auditors are contracted to, and by, the Credible Carbon Standard. To avoid conflicts of interest, they are not contacted by the project.
- Only audited credits may be issued and sold. No ‘forward trading’ of credits is permitted (i.e. the selling of credits that are yet to be generated).
- Projects can be audited as frequently as they choose, but must be audited at least every three years.
- The information that is verified by carbon auditors should uphold the Credible Carbon standard. Audit reports are structured around Credible Carbon’s “four big questions”:
 - (i) Does the project exist (we don’t audit business plans)?
 - (ii) Is the technology in place and functioning according to its design specification (where technology could be a photovoltaic panel or a tree)?
 - (iii) Are the estimates of greenhouse gas savings in line with the best available assumptions?
 - (iv) Does the project make a discernible impact on poverty?

Additionality:

- Credible Carbon only supports innovations that are a departure from business as usual and which lead to the low carbon, resource efficient, socially inclusive and nature regenerative society. The “additionality” of Credible Carbon credits should be intuitive and obvious. Credible Carbon does not rely on “proofs” for additionality, but all projects must:
 - (i) Clear ‘regulatory surplus’ or show, with evidence, that the relevant regulation (e.g. landfill diversion) has no possibility of being complied-with over the project period, or that compliance with the relevant regulation depends on carbon market revenue.
 - (ii) Be a departure from business as usual in the direction of less GHG emissions, where business as usual is defined as the reference practices followed by at least 50% of the country sector or industry.
 - (iii) Be a new (or new to the region) practice or technology.
- Financial proofs for additionality are not accepted.
- Grid-tied renewable energy is supported as part of the urgency to prevent the build-up of GHGs in the atmosphere. Credible Carbon will continue to support grid-tied renewable energy until such time as renewable energy (excluding any form of hydro-power) comprises 50% of the country’s grid-distributed electricity.

Permanence

- For carbon sequestration projects, permanence is understood to be at least 30 years.
- Projects may claim carbon market revenue for a maximum of 21 years.
- Projects can benefit from a once-off 'backcast' for three years prior to their first audit provided data are available.

Liability and buffers

- Buffers are not required by the Credible Carbon standard, but the registered project is liable for all issued and sold carbon credits. If carbon previously sold is lost (due to a forest fire for example), the project developer has 12 months to replace the carbon on-site and have this replacement audited by a carbon auditor appointed by Credible Carbon. If the lost carbon cannot be replaced within 12 months, the project is required to purchase the equivalent credits from another project in the Credible Carbon Registry and transfer them to purchasers of the credits that have been lost.

Poverty alleviation

- All Credible Carbon projects must make a 'discernible impact on poverty' through the carbon money they receive, where poverty is defined (as per the World Bank) as \$2.15 per person per day or the absence of basic energy, water and sanitation services, and the provision of education and healthcare.
- Project developers that are commercial companies, and are not majority owned (> 50%) by broad-based community shareholders, are expected to invest at least 50% of net carbon revenue in poverty alleviation.

Who qualifies to audit Credible Carbon projects

- Carbon auditors must have tertiary education qualifications and experience in life-cycle analysis and company carbon footprinting (e.g. corporate submissions for Carbon Disclosure Programme or Taskforce for Climate Related Financial Disclosure or work on the Greenhouse Gas protocol. The carbon auditor's reputation should be more valuable to the auditor than the payment received for any audit. Credible Carbon's preference is always to use auditors from within the country of the project, or from the same region as the project to reduce leakages associated with travel and avoid the cost of the auditor having to learn the project context.
- Auditors are required to make at least one site visit per audit.