



**NO NET HARM
ENVIRONMENTAL AND
SOCIAL SAFEGUARDS (NNH)

BCR TOOL**

**BCR project activities do not cause any net-harm to
the environment or to local communities and society
in general**

BIOCARBON REGISTRY[®]

Version 1.0 | March 7, 2023

BIOCARBON REGISTRY

www.biocarbonregistry.com

© 2023 BIOCARBON REGISTRY®. All rights reserved. Reproduction in whole or in part without the express permission of BIOCARBON REGISTRY.

BIOCARBON REGISTRY®. 2023. BCR TOOL. NO NET HARM ENVIRONMENTAL AND SOCIAL SAFEGUARDS (NNH). BCR project activities do not cause any net-harm to the environment or to local communities and society in general. Version 1.0 March 7, 2023. Bogotá, Colombia. 16 p. <http://www.biocarbonregistry.com>

BIOCARBON REGISTRY
www.biocarbonregistry.com

Table of contents

1	INTRODUCTION	4
2	GENERAL REQUIREMENTS	4
3	DO NO HARM TO THE ENVIRONMENT AND SOCIETY.....	6
3.1	ENVIRONMENTAL ASPECTS	6
3.2	SOCIOECONOMIC ASPECTS	6
3.3	REDD+ SAFEGUARDS.....	6
4	RISK MANAGEMENT	8
5	MONITORING PLAN	9
6	VALIDATION AND VERIFICATION	10
7	CARBON OWNERSHIP AND RIGHTS.....	11
7.1	LAND OWNERSHIP	12
8	COMPLIANCE OF THE ETHIC CODE OF BIOCARBON REGISTRY	12
8.1	PROTECTION OF HUMAN RIGHTS	13
8.2	RESPECT OF THE ENVIRONMENT	13
8.3	PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING.....	13
9	ARRANGEMENT WITH BCR REGISTRY SYSTEM USERS	14
9.1	MONEY LAUNDERING AND FINANCING OF TERRORISM.....	14

1 Introduction

The BCR Standard includes the rules and requirements, for project holders that, in addition to Greenhouse Gas Emissions reduction, commit to ensuring that their project activity does not cause any net-harm to the environment or to local communities and society in general. These aspects are addressed in an integrated manner during the Validation and Verification process and in the BCR Registration and Issuance Processes.

In this sense, the project activities should not have a negative impact on the environment or on communities. Project holders shall identify and address any negative environmental and socio-economic impacts of project activities and shall engage with local stakeholders during project development and implementation.

As part of the project certification and registration in the BioCarbon Registry Program, the project holder shall identify the potential environmental and social effects of the project activity.

2 General requirements

The [BCR STANDARD](#) requires project holders to present and explain in detail the results of the environmental assessment, analyzing the foreseeable effects on biodiversity and ecosystems within the project boundaries. Demonstrate that the analysis is supported by reliable and recent references.

If it is determined that the project activities could generate negative effects, explain the actions and corrective measures that will be carried out in order to manage and minimize the effects derived from the development of the GHG project activities.

Also, the project holder shall explain and justify in detail the analysis of the potential socio-economic effects of the activities, within the limits of the project, clearly explaining the assumptions used and justifying the results of the analysis. The evaluation should also refer to related documentation and evidence.

If such assessment leads to the conclusion that relevant negative effects would be generated, define corrective actions and measures with the purpose of preventing and/or reducing the socioeconomic effects derived from the development of the GHG project activities.

Specifically, BCR Standard provides requirements that establish safeguards to avoid negative environmental and social effects as described below:

- (a) Project holder shall demonstrate no net harms describing how the project activities impact the environment and the communities and, if apply, how to plan to mitigate any negative environmental and social effects expected to result from their project activity. In this sense, the project holder guaranty does not cause any net harm;
- (b) The project holder shall submit to the BCR Program the request for certification and registration, following third-party Project Validation and Verification by an approved by BCR Conformity Assessment Body (CAB);
- (c) Project holder shall, when completing the Monitoring Report, describe how the plan to mitigate negative environmental and social effects, as described in the registered project, has been implemented and how the monitoring of the project activity has been conducted, to demonstrate that the Project Activity does not cause any net harm to the environment or society;
- (d) The Monitoring Report shall be submitted to the BCR Program along with a request for verification registration and VCC issuance, after CAB by an approved BCR Verifier; and (c) The CAB shall provide a Verification Report and shall determine whether the Project Activity has not caused any net harm to the environment or local community and society in general.

In the compliance of this tool, the project holder shall provide evidence that:

- (a) The project holder shall demonstrate that the project activities do not violate local, state/provincial, national or international regulations or obligations;
- (b) Identify environmental and social effects resulting from the implementation of the project;
- (c) Conduct the assessment and the Risk Management to identify environmental and social effects of the project activities;
- (d) To develop action plans to reduce or mitigate the effects identified;
- (e) To provide a support for monitoring the implementation of action plans and accomplishment of action-plan targets; and
- (f) To facilitate validation and verification by CAB, which aims to certify that Project Activities do not cause any net harm to the environment or to the society.

3 Do no harm to the environment and society

3.1 Environmental aspects

Without prejudice to the fact that, due to the development of the proposed activities within the context of the project, the project holder is obliged to develop an environmental management plan or that which is contemplated in the legislation of the country in which the project is developed, the project holders must carry out an environmental assessment, analyzing the probable effects on biodiversity and ecosystems within the limits of the project. The analysis must be supported with reliable and recent references.

Suppose this assessment leads to the conclusion that adverse effects would generate. In that case, the project holder shall define actions and corrective measures to prevent and when applicable to diminish the environmental effects derived from the development of the GHG project activities.

3.2 Socioeconomic aspects

GHG project holders shall analyze the significant socioeconomic effects of project activities within the project boundaries, clearly explaining the assumptions used and justifying the review results. The assessment shall also refer to related documentation and evidence.

Suppose this assessment leads to the conclusion that adverse effects would generate. In that case, the project holder shall define actions and corrective measures to prevent and when applicable to diminish the social and economic effects derived from the development of the project activities.

3.3 REDD+ Safeguards

The implementation of REDD+ activities can generate benefits for communities and the environment and reduce GHG emissions. However, there may be some social and environmental risks associated with their implementation.

In this sense, REDD+ safeguards are measures aimed at preventing the impairment of fundamental social, economic, or environmental rights and the occurrence of negative impacts from the design and implementation of REDD+ activities. It also includes measures to improve the obtainment and distribution of benefits generated by REDD+ activities.

In undertaking the actions referred to in paragraph 70¹ of the Report of the Conference of the Parties on its 16th session, held in Cancun from 29 November to 10 December 2010, and the Decision 17/CP.21², the project holder should promote and respect the following safeguards:

- (a) That actions complement or are consistent with the objectives of national forest programs and relevant international conventions and agreements;
- (b) Transparent and effective national forest governance structures, considering national legislation and sovereignty;
- (c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by considering relevant international obligations, national circumstances, and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- (d) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision³;
- (e) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision⁴ are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;
- (f) Actions to address the risks of reversals;
- (g) Actions to reduce displacement of emissions.

¹ Encourages developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances: (a) Reducing emissions from deforestation; (b) Reducing emissions from forest degradation; (c) Conservation of forest carbon stocks; (d) Sustainable management of forests; (e) Enhancement of forest carbon stocks. Available in: <https://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=12>

² <https://unfccc.int/sites/default/files/resource/docs/2015/cop21/eng/10a03.pdf>

³ Decision 1/COP.16

⁴ Ibid, p. 29

These seven safeguards are a set of general principles and countries are responsible for interpreting their scope, according to their own national context. Consequently, the REDD+ project holder must demonstrate compliance with the aforementioned REDD+ safeguards, considering the national context and including the definition of indicators for monitoring, reporting and verification.

The BCR Standard comprises a REDD+ Safeguards (or Cancun Safeguards) interpretation tool for REDD+ project holders to demonstrate compliance with REDD+ safeguards.

In this sense, the proposed interpretation must be mandatorily applied by the project holder and the Conformity Assessment Bodies for the implementation, validation and/or verification of REDD+ projects that are structured and developed under the BCR Standard.

4 Risk management

The GHG project holder shall assess the risks related to the implementation of project activities in the environmental, financial, and social dimensions.

Based on the identification of risks in these three dimensions, the project holder shall design measures to manage the risks, so that the reduction or removal of GHG emissions are maintained during the quantification period of the project.

In this regard, the project holder shall:

- (a) identify the potential natural and anthropogenic risks that GHG mitigation actions may face and determine the measures necessary to mitigate such risks;
- (b) identify potential financial risks related to expected costs and investments, as well as project cash flows and define the necessary measures to mitigate financial risks;
- (c) determine, in the medium and short term, the risks associated with the participation of local communities and stakeholders in the activities proposed by the project holder.

The GHG project holder shall use appropriate methodologies to carry out the assessment of the expected risks (direct and indirect) and consider mitigation measures, within the framework of adaptive management.

Adaptive management is a process by which project actions can be adapted to future conditions to ensure the achievement of the proposed objectives. It is a structured decision-making process that considers the impact variables in order to reduce uncertainty about the results.

Finally, and taking into consideration the above, risk assessment and management must be adequate, accurate and objective.

5 Monitoring plan

The project holder shall design and explain a monitoring plan that, as required by the BCR STANDARD and the applied methodology, that present in detail the appropriate information to monitor project activities and mitigation results:

- (a) the data and information necessary to estimate GHG emission removals or reductions during the project quantification period;
- (b) data and complementary information to determine the baseline or reference scenario;
- (c) specification of all potential emissions that would occur outside the project boundary attributable to GHG project activities (leakage);
- (d) information related to the environmental effects assessment of the GHG project activities **and no net harm**;
- (e) the procedures established for the management of GHG emission reductions or removals and related quality control for monitoring activities;
- (f) description of defined procedures for periodic calculation of GHG emission reductions or removals and leakage;
- (g) the assignment of roles and responsibilities for monitoring and reporting of variables relevant to the calculation of GHG emission reductions or removals;
- (h) procedures related to the assessment of the project's contribution to the Sustainable Development Goals (SDGs);

- (i) criteria and indicators related to the project's contribution to sustainable development objectives, applicable to the project activities proposed by the project holder;
- (j) procedures related to co-benefits and special category follow-up, when applicable;
- (k) the criteria and indicators defined to demonstrate the additional benefits and the measurement of co-benefits and the special category, when applicable.

6 Validation and verification

When GHG project holders request validation of the GHG project, they shall submit a GHG declaration to the CAB and provide all the information required by the CAB to do the validation process.

The validation and verification body, contracted by the project holder, shall evaluate the documentation and information related to the GHG project design. Besides, the CAB shall determine whether the project holder complies with all the provisions of the BCR STANDARD and the others that apply to it, examining, among other aspects, the following:

- (a) GHG mitigation targets and results;
- (b) the adequate use of an appropriate methodology;
- (c) the assessment of uncertainty and conservative approach;
- (d) the baseline scenario;
- (e) the project mitigation results;
- (f) compliance with the additionality criteria of the GHG project;
- (g) ownership and carbon rights;
- (h) assessment of environmental and social effects, including no net harm;
- (i) criteria and indicators related to co-benefits, if applicable;
- (j) contribution of the project to sustainable development objectives;

- (k) stakeholder's consultation;
- (l) compliance with national legislation;
- (m) conformity of the project with the requirements for grouped projects under the BCR STANDARD;
- (n) Comprehensive monitoring plan's design for the quantification and follow-up of GHG emission reductions and removals, following the selected methodology.

Similarly, the CAB shall do the validation process by the guidelines established for this purpose by the GHG mitigation mechanisms and the ISO 14064-3 standard.

7 Carbon ownership and rights

Carbon rights are the ownership of verified carbon credits (VCC) and, when applicable, the rights to benefit from the sale of credits or other payments or interests received from GHG emissions reductions or removals. That is, carbon rights are the right to benefit from GHG emission reductions or removals. In this sense, GHG project holders shall demonstrate full legal ownership of the VCCs.

Carbon rights shall demonstrate transparency and, if necessary, with evidence of a process based on full, prior, and informed consent.

In particular, when the Project develops activities within territories of ethnic groups or traditional local communities, both its members, individuals, and environmental authorities shall ensure respect for their rights, to observe and develop the procedures provided for in the law.

Consequently, in cases where the project holder is a natural or legal person other than the local ethnic groups or traditional communities, in the first instance, the project holder must request a certification from the corresponding authority to determine whether or not there are Ethnic Communities in the area of the project over which the Fundamental Right to Prior Consultation must be guaranteed, when applicable.

GHG project holders shall demonstrate carbon rights, with agreements and documents that ensure this requirement is met, with at least the following information:

- (a) parties who sign the agreement(s);

- (b) agreement objectives;
- (c) agreement date;
- (d) name of the GHG project;
- (e) period of quantification of GHG reductions/removals;
- (f) responsibilities, obligations, and rights of each of the signatory parties.

In the event that the project includes ethnic groups as participants, the project holder must present proof that the person signing the documents, within the scope of the project, is the person with the authority in charge to do so.

If the project holder is the ethnic community, the documentation must be submitted by the authority that legitimately represents the community.

In some cases, carbon rights are together with other ones, such as land tenure rights, i.e., in the AFOLU sector Projects. The requirement related to this aspect is described in detail below.

7.1 Land ownership

In the case of AFOLU projects, the GHG project holder shall demonstrate land tenure, as provided for in applicable national regulations.

The project holder shall demonstrate that he or she holds land tenure on the property where the project activities are taking place, at least during the period of quantification of GHG reductions or removals. If the project holder does not represent the "landowner" he shall demonstrate that he has an agreement with the holder of the land tenure right.

8 Compliance of the ethic code of biocarbon registry

The project holder shall comply with BCR's ethical principles, as they relate to no net harm, based on the following definitions:

(a) Ethics

Based on core values and norms, it is a set of standards for the conduct in government, companies, society that guides decisions, choices and actions.

(b) Integrity

Behaviors and actions consistent with a set of moral or ethical principles and standards that are embraced by individuals as well as institutions. Integrity creates a barrier to corruption. See the definition of “Ethics” above.

8.1 Protection of human rights

BioCarbon Registry abides by all legislations and regulations pertaining to Human Rights. This includes adherence to the 1948 Universal Declaration of Human Rights of the United Nations which lays emphasis, amongst others, on zero child labor, zero forced labor, zero discrimination on account of gender or ethnicity. We engage to treat our internal and external stakeholders with respect, dignity, fairness, equality, integrity regardless of their diversity and differences.

8.2 Respect of the environment

The activity of the Company being linked to the environment, **BioCarbon Registry** has at heart the protection of the environment and hence conducts its activity in respect of the surrounding environment.

Our corporate purpose, vision and mission statements were designed around supporting the promotion of climate change mitigation actions.

Since **BioCarbon Registry** was founded, the Company has been dedicated to the certification and registration of GHG projects and promoting climate change mitigation actions. Thus, excellent environmental management and the combating climate change are intrinsic to the business itself and are present in all activities and areas of our Company.

8.3 Prevention of Money Laundering and Terrorist Financing⁵

BioCarbon Registry takes the prevention of actions related to Money Laundering, Terrorist Financing and Proliferation Financing seriously and will not knowingly breach the principles and obligations set out in the Anti-Money Laundering and Combatting the Financing of Terrorism (hereinafter, AML/CFT) national and international regulations.

We will not knowingly become involved in, or turn a blind eye to, arrangements that assist others to take part in activities contrary to the AML/CFT regulations. **BioCarbon Registry**'s personnel will not knowingly provide services to any person that is:

- (a) Subject to financial sanctions in any jurisdiction.

⁵ Involves investigating, analyzing and preventing sources of funds for terrorist activities intended to achieve political, religious, or ideological goals.

- (b) Knowingly in possession of the proceeds of crime or involved in the concealment of their origin, location, or ownership.
- (c) Knowingly involved in the supply, storage, distribution of funds or property with the intent of being used by their holders to commit terrorist offences, whether directly or indirectly.

BioCarbon Registry's personnel shall abide by the procedures and controls to verify, prevent and impede collaboration with persons engaged in Money Laundering and Terrorist and Proliferation Financing or being used by them for those purposes.

The employees, clients and stakeholders of **BioCarbon Registry** will report to the Compliance Officer of the Company through the Ethics and Compliance Channel as soon as they are aware of a possible Money Laundering or Terrorist/Proliferation Financing offence within the organization or in the course of the business relationship.

9 Arrangement with BCR Registry system users

9.1 Money laundering and financing of terrorism

The parties declare that their resources do not come from or are not destined to the exercise of illicit activities or activities related to money laundering, coming from these or activities related to the financing of terrorism. The parties may cross and request at any time the information of the Parties with the lists for the control of money laundering and financing of terrorism ("ML/FT"), administered by any national or foreign authority⁶.

The parties accept, understand and know that in compliance with their legal obligation to prevent and control ML/FT, in accordance with current regulations and jurisprudence, they may unilaterally terminate this Contract, at any time and without prior notice, when any of the parties, its shareholders, partners, collaborators or administrators becomes: (i) linked by national or international authorities to any investigation for crimes of drug trafficking, terrorism, kidnapping, money laundering, financing of terrorism and administration of resources related to terrorist activities or other crimes related to ML/FT or any collateral or underlying crime; (ii) included in binding or restrictive lists; (iii) convicted by national or international authorities in any type of judicial process related to the commission of ML/FT crimes; and/or (iv) publicly pointed out by any media of wide national circulation as investigated for ML/FT crimes.

⁶ See Annex A. Statement. Legitimate sources of funds and licit activities

Annex A. Statement. Legitimate Source of Funds and Licit Activities

I, _____, identified with ID number _____ from _____, (on my behalf or as representative as shown by my possession of a power of attorney), declare the information provided for opening a BIOCARBON REGISTRY account is true. I declare, about the source of funds and licit activities, that:

1. According to international laws and regulations, the funds used for this transaction are my own or from the company I represent, and they come from licit activities.
2. I shall not consent third parties deposit to my accounts with funds related to illicit activities described by the International Criminal Code or by any other regulation which modifies, adds, or substitutes it. I shall not make transactions associated with those activities or in support of people related to those activities.
3. All activities and revenues are received and come from licit activities. In no case, those activities involve illicit activities from us or any third person. In all cases, the funds are our own, and we have not lent our name to third persons with resources obtained illegally to make investments in our name.
4. I am not listed in any international report on or blocked by activities of drug trafficking, money laundering, or crimes associated with terrorism financing. Also, there is no ongoing process in any national or international entities by any of those previously mentioned aspects. Besides, I declare none of the associates or shareholders from the company I represent are included in the UN's (United Nations) or the Office of Foreign Assets Control's (OFAC) control lists.
5. I authorize to terminate any agreement, business or contract entered with BIOCARBON REGISTRY if there is any infringement on any of the numerals contained in this document. I exempt BIOCARBON REGISTRY from any responsibility derived from wrong, false, or inaccurate information that I would have provided in this document or from this document's violations.

I declare under oath that information in this document is true, and I authorize checking it with any public or private entity or person whatsoever, without any limitation, from now and as long as there is any contractual relation with BIOCARBON REGISTRY or who represent its rights.

I declare I have read, understood, and accepted this document.

Signature:

Date: dd/mm/yyyy

History of document

Type of document

BCR Tool monitoring, reporting and verification (MRV)

Version	Date	Nature of the document
Version 1.0	March 7, 2023	First version of the Tool.