



CERCARBONO
Certified Carbon Standard

Annual Report 2023

Moving toward integrity, transparency,
and quality in environmental markets.





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Message from the CEO



The world faces three big environmental crises: global warming, loss of biodiversity, and pollution of our ecosystems, a combination many organizations refer to as “The triple planetary crisis”.

Climate change is exerting a significant pressure on our biodiversity, with assessments showing an accelerated loss of flora and fauna species, with consequential social, environmental and economic impacts.

In the face of these challenges, market mechanisms allow cost-effective project development, optimizing scarce resources' allocation. This approach is not exempt from critics, in particular the need for enhanced integrity, transparency, and quality of projects that benefit from those resources.

In this context, the role of standards such as Cercarbono takes on a fundamental relevance in strengthening this mechanism, envisioned as one of the most effective strategies to foster a transformational change in this crucial field.

In 2023, Cercarbono took meaningful measures in such direction, by updating its regulatory framework, and incorporating market's best practices. In addition, a robust governance model was adopted and attracted the best available talent to strengthen its human team. Close collaboration with EcoRegistry, the platform managing Cercarbono's programs and projects, allows providing assurance and transparency to all stakeholders.

This enabled Cercarbono obtaining ICROA's accreditation, as well as CORSIA's conditional approval. Even when these are important achievements, we consider them as a means to keep working and improving in a comprehensive and continuous manner, in order to provide the confidence required by all stakeholders.

We fully believe that market mechanisms will foster transformational changes in other less explored areas: circular economy and biodiversity. In 2023, Cercarbono together with Global Zero Waste launched its Circular Economy Programme, that will allow issuance of material credits, starting with plastics.

Likewise, within the framework of COP28 in Dubai, Cercarbono launched the public consultation of its biodiversity protocol, for the formulation of projects intended to be financed by these market mechanisms.

2023 was an outstanding year for Cercarbono, both in figures and in concrete facts driving our future growth. I sincerely thank the entire team for their technical quality, dedication and commitment, as well as our customers for placing their trust on us. We will continue to work tirelessly to make Cercarbono one of the best standards globally.

Alex Saer
CEO Cercarbono



Executive Summary

Over the last year, Cercarbono in consistency with its functions and scope as per in its objectives, has expanded its services as an international standard, including in its portfolio certification processes for three environmental programs: carbon, circular economy and biodiversity.

With the carbon programme, Cercarbono is now positioned in 15 countries of Africa, America, Asia, and Europe, confirming its leadership in the international voluntary carbon market. This program continues building and strengthening its regulatory and technical framework including methodologies, tools and guidelines, relevant to ensure transparency in certification processes for 159 programs/projects registered in 9 sectorial scopes participating in the voluntary market with integrity and technical rigor, which is further explained in the following sections.

In 2023, Cercarbono received the endorsement of the International Carbon Reduction & Offset Alliance (ICROA), its carbon credits were accepted as eligible for the Queretaro carbon market and was recommended by Technical Assessment Board (TAB) of the Carbon Offsetting and Reduction for International Aviation (CORSIA) for conditional approval in its first phase (compliance cycle 2024-2026). This will enable Cercarbono's credits from the energy industries and waste management sectors to be considered under CORSIA regime once the process has concluded and approval is granted.

Our governance scheme and system has been strengthened, and is enforced for governing the operation of Cercarbono's different organs and positions as related to their functions and decision-making process, providing certainty and transparency to involved actors.

Currently, revision of regulatory framework is being carried out, along with the development of the Guidelines for Mapping Presentation and Analysis, aligned with the principles considered as fundamental for carbon programmes and credits at the international level, enhancing the procedures to prevent and manage potential double-counting events and prevent overlaps among initiatives, considering also the countries' national accounting adjustments information needs for Nationally Determined Contributions (NDC) management, under Article 6.4 of the Paris Agreement.

At the same time, a rigorous system for Cercarbono's own methodologies review and updating has been put in place, with the participation of independent third-party experts, thus in the second quarter of 2024 updated and enhanced versions of such documents will be published.



As regarded to the circular economy and biodiversity programs, foundations for their operation have been set in a strategic, participative manner. Dissemination spaces for the regulatory and technical structure of such programs have been established, in view of their prompt entry into operation.



Cercarbono coverage

1. Cercarbono environmental programmes



Carbon Programme

2. Sectoral scopes in which we operate



3. Geographical distribution of projects registered in Cercarbono

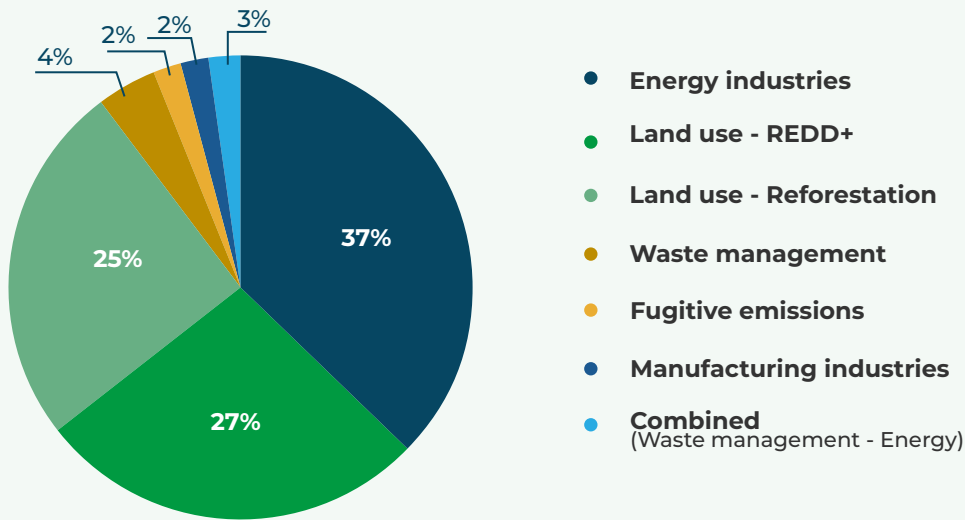


159
Projects

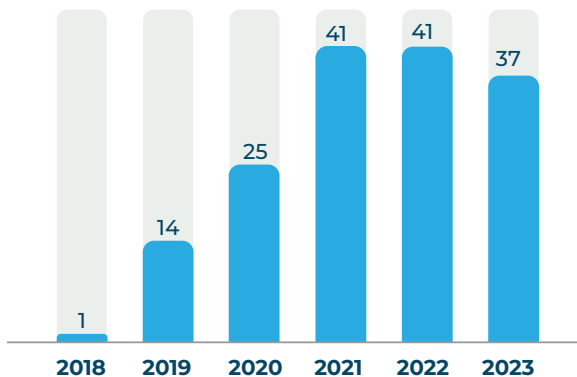
Armenia	1	Mexico	1
Bolivia	1	Nepal	1
Brazil	19	Panama	1
Chile	3	Peru	2
Colombia	106	Dominican Republic	1
Ecuador	1	Turkey	14
Ghana	1	Vietnam	4
Laos	3		

Information about Carbon Programme projects

4. Sectoral scopes of registered projects

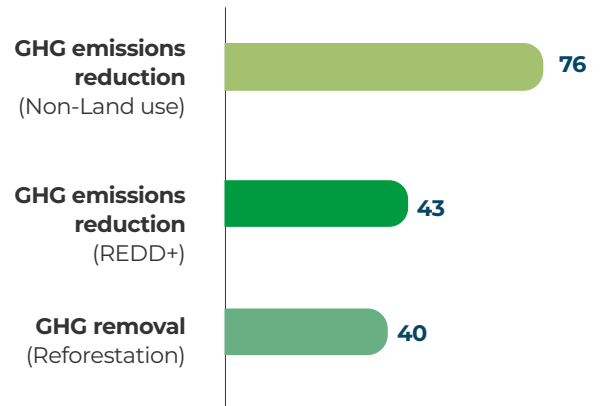


5. Project registry dynamics



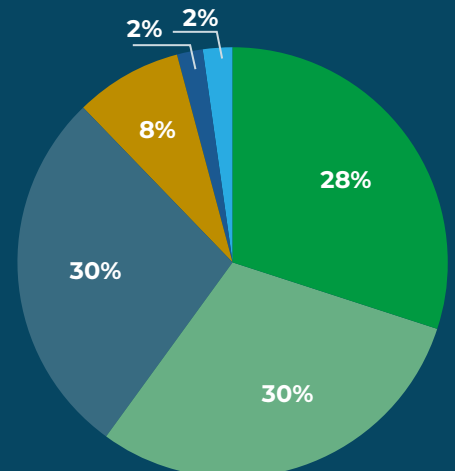
170 projects have been registered in Cercarbono between 2019 and 2023, of which 159 are active in the certification cycle, 7 have been withdrawn, and 4 have been canceled.

6. Registered projects by type of mitigation activity



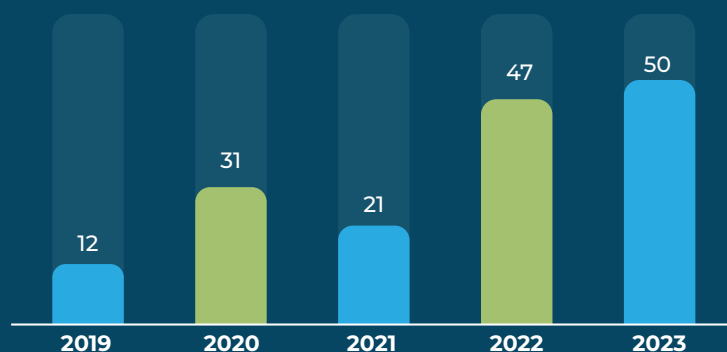
7. Sectoral distribution of projects certified in 2023

- Energy industries
- Land use - REDD+
- Land use - Reforestation
- Waste management
- Manufacturing industries
- Combined (Waste management - Energy)



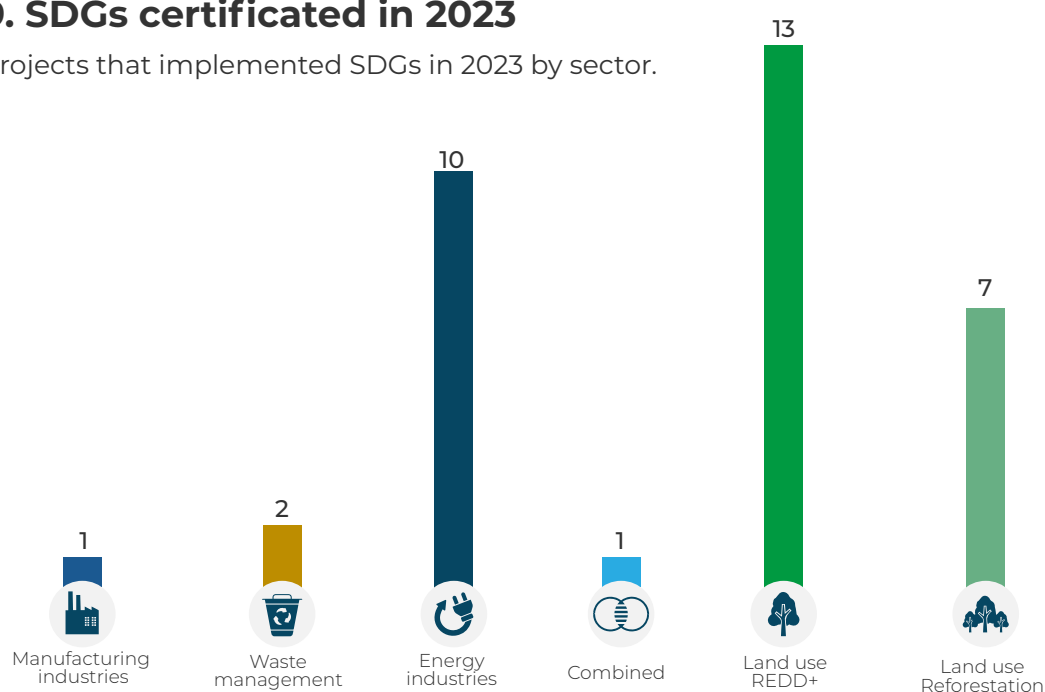
8. Certification events conducted by Cercarbono

50 certification events were carried out in 2023.

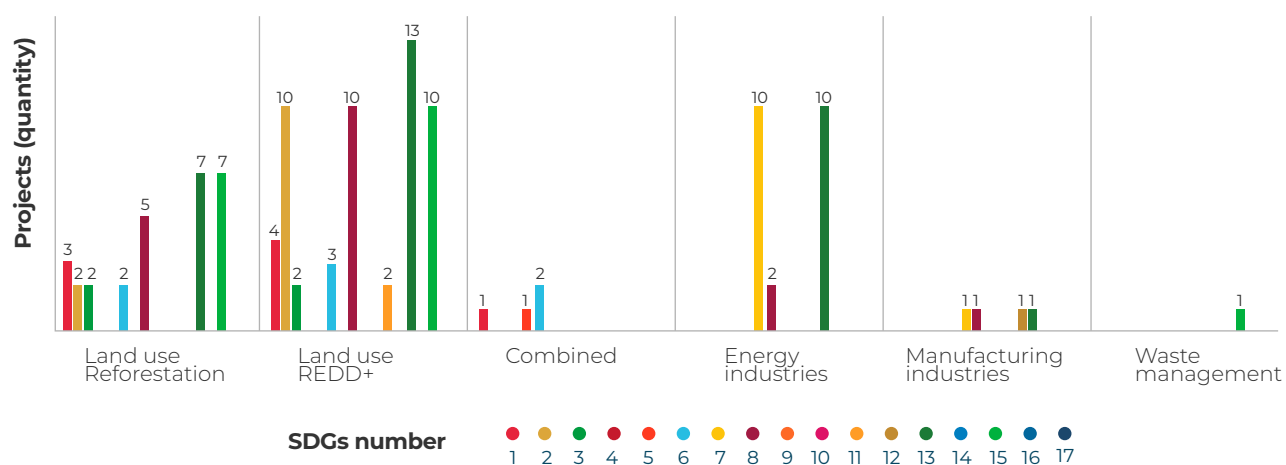


9. SDGs certificated in 2023

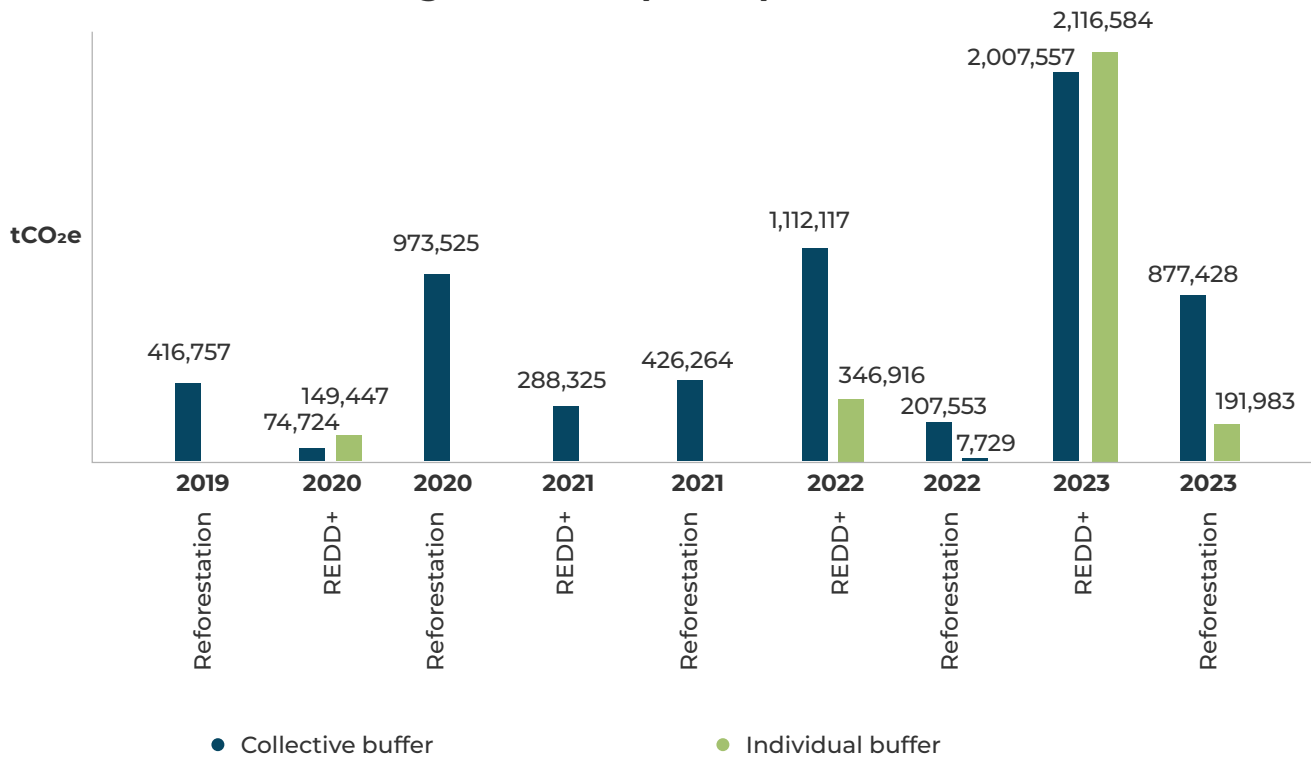
Projects that implemented SDGs in 2023 by sector.



Contribution to SDGs from each sector

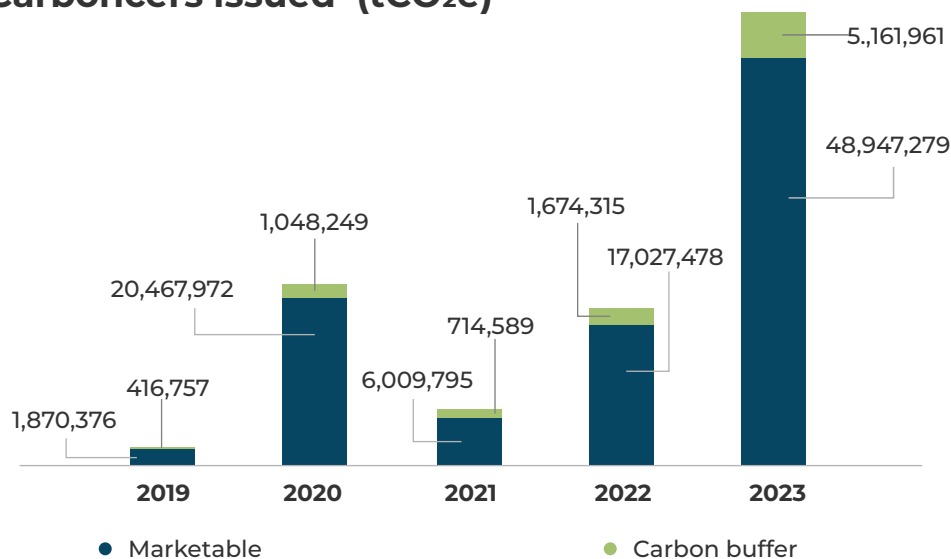


10. Carbon buffer generation (tCO₂e)

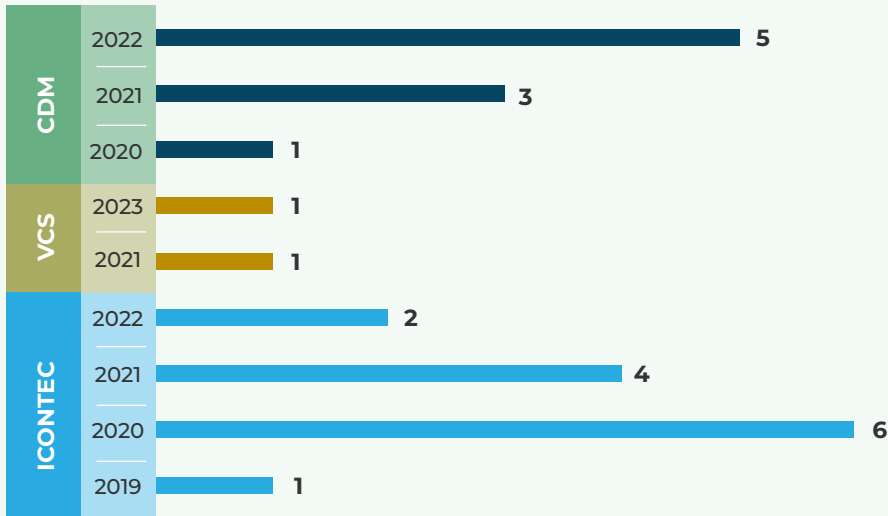


As a means of supporting the permanence criterion for GHG removals and GHG emissions reductions achieved in the AFOLU sector, the carbon programme has a total carbon buffer of **9,196,909 tCO₂e**, formed by **6,384,250 tCO₂e** in a collective buffer and **2,812,659 tCO₂e** corresponding to individual buffer, the latter subject to release once the project demonstrates suitable implementation. In 2023, a total 149,447 tCO₂e were released from the individual buffer. Cercarbono will update policies regarding this release in 2024.

11. Carboncners issued (tCO₂e)



12. Migrated projects



A total of 24 projects have migrated from other standards to Cercarbono. A project that was not referenced in the previous annual report and migrated in 2020 from CDM is updated in the current graph.

13. Carbon Programme documentary update

Cercarbono updates its documents and develops templates to keep up with international normative and foster carbon market's transparency, seeking at the same time facilitating projects' formulation and implementation to project holders and developers.

In 2023, updates to our regulatory framework documents were performed, publishing new versions:



- ✓ Procedures of Cercarbono's Certification Programme Versions 2.0 y 2.1
- ✓ Cercarbono's Protocol for Voluntary Carbon Certification Versions 4.2 y 4.3

New documents produced in 2023



Safeguarding Principles and Procedures of Cercarbono's Certification Programme



Cercarbono Governance Overview



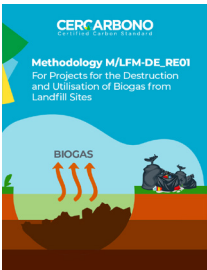
Personal Data Treatment Policy

Methodologies subject to independent, third-party assessment:

In accordance to provisions as per in its regulatory framework, to ensure compliance with international carbon market’s guidelines, Cercarbono submitted for independent, third-party assessment, the following GHG quantification and monitoring methodologies, which will be released for public consultation shortly:

- ✓ Methodology M/UT-REDD+: Implementation of REDD+ Projects Consistent with National Reference Levels.
- ✓ Methodology M/E-ER01: Implementation of GHG Emission Reduction Projects Through Renewable Energy Use for Electric Power Generation.
- ✓ Methodology M/MLF-DE_RE01: For Projects for the Destruction and Utilization of Biogas from Landfill Sites.

14. Carbon Programme public consultations

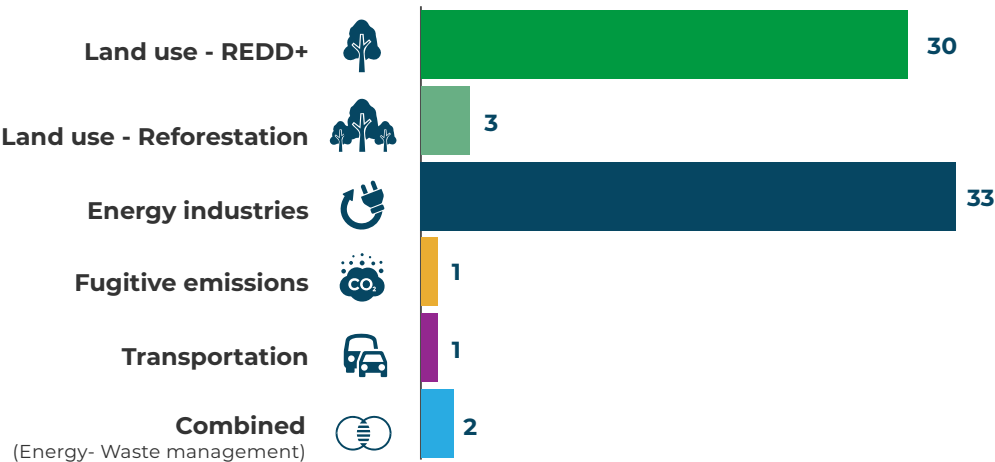


To documents :

Methodology M/MLF-DE_RE01: For Projects for the Destruction and Utilization of Biogas from Landfill Sites.

Comments to Carbon Programme projects

Projects that underwent public consultation in 2023:





Circular Economy Programme

Voluntary Programme on Circular Economy

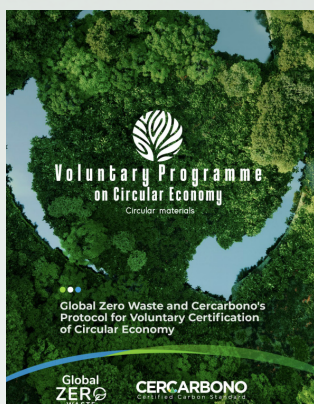
Circular materials



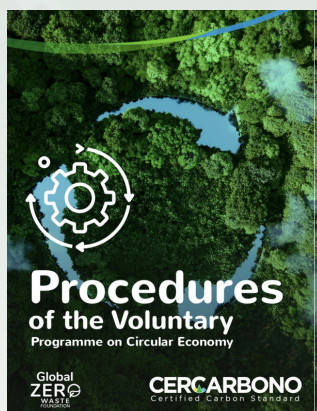
15. Circular Economy Programme regulatory and technical documents

Global Zero Waste and Cercarbono have formed a strategic alliance to jointly develop the Voluntary Programme on Circular Economy (VPCE), whose mission is to facilitate and guarantee to individuals, companies, and the public the registration of Programme or Project on Circular Economy Materials (PCEMs), the certification of emissions and the registration of Circular Economy Credits (CECs). Programme ensures that validation, verification, and certification processes are adequate, reliable, impartial, and transparent.

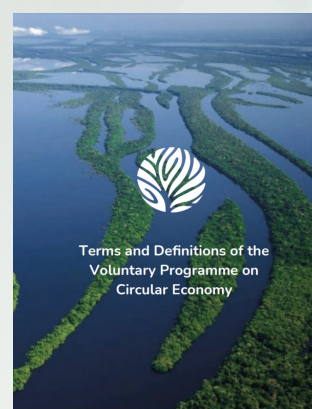
In 2023, following regulatory documents governing the Voluntary Circular Economy Programme were published:



Global Zero Waste and Cercarbono's Protocol for Voluntary Certification of Circular Economy Version 1.1



Procedures of the Voluntary Programme on Circular Economy Version 1.0



Terms and Definitions of the Voluntary Programme on Circular Economy Version 1.0.



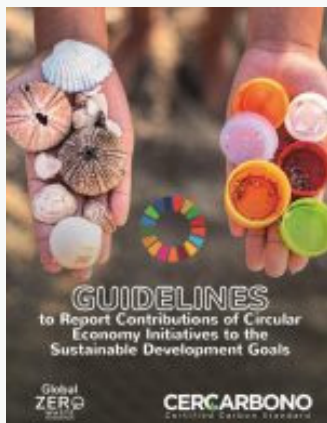
Fee Schedule Version 1.0



Templates for the development and implementation of the Programmes or Projects on Circular Economy Materials and for the generation of reports and declarations of the Validation and Verification Bodies.

16. Circular Economy Programme public consultations

Public consultation spaces were established for the following technical documents:



Guidelines to Report Contributions of Circular Economy Initiatives to the Sustainable Development Goals. Version 1.0.

Date: From 26.01.2023 to 25.02.2023.



Circular Economy Methodology for Encouraging Plastic Recycling. Version 1.0.

Date: From 29.06.2023 to 29.07.2023.

VVBs approved for the Circular Economy Programme



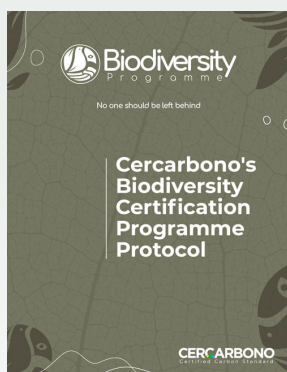
Biodiversity Programme

17. Launching of the Biodiversity Programme

Cercarbono Biodiversity Certification Programme (CBCP) aims to enable the quantification, verification and credible certification of the positive results of biodiversity conservation activities. Providing a robust set of criteria and requirements.

To certify net biodiversity gains, the programme aims to unlock new sources of funding for urgent actions around the world. Methodologically sound biodiversity crediting that is transparently certified can appropriately channel investment from public climate funds, corporations, and financial institutions to projects delivering lasting ecosystem service benefits and contributing to global biodiversity goals.

18. Biodiversity Programme public consultations



The protocol developed by Cercarbono specifies the requirements for the issuance of Voluntary Biodiversity Credits (VBCs) under the CBCP.

The biodiversity protocol was in public comments since December 1, 2023 and its methodology on December 26, 2023.

Cercarbono's participation in events



European Climate Summit, Portugal

Participation in different events.

Date: 28th to 30 March.



Latin America Climate Summit (LACS) 2023, Panama

Panels:

- Discussions on the hidden social and environmental benefits of carbon markets in Latin America and the Caribbean.
- Announcement on the development of the financial transparency tool.

Event:

New mechanisms of the circular economy towards climate action.

Date: 27th to 29th June.

Mexico Carbon Forum

Panel: Development of Projects under Nature-Based Solutions (NBS) for the International Market.

Forum: Evolution and Perspectives of the Carbon Market in Mexico: Review and Discussion of the Global, National, and Voluntary Market.

Date: 15th September.





5th Colombia and Latin American Climate Summit

Date: 27th and 28th September.

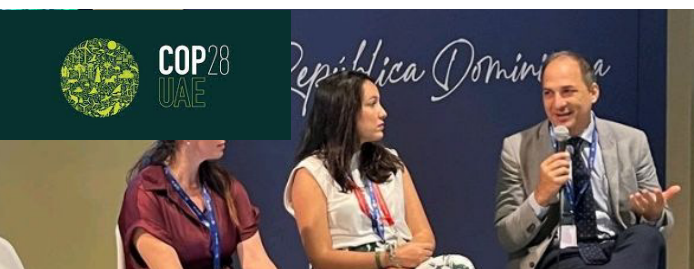


Asia Climate Summit, Tokyo - Japan

Event: SustainCERT's -DMRV: Updates and Future Perspectives from Standard Bodies.

Date: 31th October.

Participation in COP28



Innovative Models for Financing the Circular Economy: Plastics Credits

Cercarbono participated in the 28th Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC), held in Dubai (United Arab Emirates) from November 30 to December 12, 2023, with the organization and conducting 4 side events under the framework of environmental programmes.



Catalyzing Nature - Positive Action through Biodiversity Credits



Integrity of Voluntary Carbon Market - From Theory to Reality



Voluntary Carbon Markets in Latin America and the Caribbean - Challenges for Article 6 on social and environmental safeguards

Disclosures and trainings performed by Cercarbono

Cercarbono, as an international certification standard, is consolidating its regulatory and technical framework, applicable to project cycle for all environmental projects it operates in and will operate, such as Carbon, Circular Economy and Biodiversity.

In this direction and consistent with its strategic planning, Cercarbono adopted an integral training plan to promote adequate interactions between stakeholders involved in such environmental programmes, highlighting the role each one has at the different stages of the certification cycle. This way, in 2023 Cercarbono opened different training spaces, three of them within its carbon certification framework, and two more to establish the foundations of its circular economy program, entering into operation shortly, as described below:

19. Carbon Programme



Webinar: Validation and Verification Processes under Cercarbono Standard

Directed to: Cercarbono's approved VVBs' staff or teams.

Date: 15.06.2023.

Attendees: 154.

In this space, criteria related to actions VVBs perform according to Cercarbono's carbon programme protocol and procedures documents were harmonized. General subjects on provisions as per in methodologies, tools and other elements of Climate Change Mitigation Programs or Projects (CCMP), were also reviewed.



Webinar: Change request processes

Directed to: Holders, developers, and VVBs.

Date: 11.10.2023.

Attendees: 38.

In this space, Cercarbono provided information and clarifications on the change request process during the certification cycle and the use of EcoRegistry's web-based interphase, including identification of conditions enabling generation of a change request, involved processes and steps and different outcomes possible. Roles and responsibilities in the change request processing for each involved party were also highlighted.



Webinar: Geographic Overlap Management and Identification Tool

Directed to: Holders, developers and Cercarbono's authorized VVBs staff and teams.

Date: 28.11.2023.

Attendees: 55.

This space allowed disclosure to stakeholders, regarding geographical overlap management for Cercarbono's registered Climate Change Mitigation Projects (CCMP), to prevent or resolve double-counting events.

20. Circular Economy Programme

✓ Webinar: New Circular Economy Programme for the Validation and Certification of Plastic and Other Materials' Credits

Directed to: Developers and VVBs.

Date: 30.08.2023.

Attendees: 82.

In this space, a general overview, procedures and technical subjects of the Voluntary Programme on Circular Economy were presented, to approve VVBs for Programmes or Projects on Circular Economy Materials' validation and verification processes. An explanation of the certification and credit issuance processes of the programme was also provided.

✓ Webinar: Plastic Credits: The Alternative to Move into Circular Economy

Directed to: General public.

Date: 15.11.2023.

Attendees: 310.

In this space, a general overview of the Voluntary Programme on Circular Economy was presented, along with procedures for Programmes or Projects on Circular Economy Materials to quantify and issue Circular Plastic Credits.

Cercarbono Memberships, Certifications, and Eligibility



Member of the Colombian Association of Carbon Market Actors (ASOCARBONO) and the International Emissions Trading Association (IETA).



Its credits are eligible for Queretaro's environmental tax offset program.



Endorsed by International Carbon Reduction and Offset Alliance (ICROA).

Cercarbono received a conditional approval recommendation for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Cercarbono's financial summary

Financial results for Cercarbono are presented below, reflecting not only the company's operational performance, but also its continuous commitment with sustainability and long-term growth of the organization.



Assets

\$3,699,099 USD



Liabilities

\$1,597,095 USD



Patrimony

\$2,102,005 USD



Revenue

\$3,292,954 USD



Expenses

\$2,051,316 USD

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