

**International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction
Scheme for International Aviation (CORSA)**

Application Form for Emissions Unit Programmes

(Version 4, January 2022)

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SECTION I: ABOUT THIS ASSESSMENT

Background

ICAO Member States and the aviation industry are implementing the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA). Together with other mitigation measures, CORSA will help achieve international aviation's aspirational goal of carbon neutral growth from the year 2020.

Aeroplane operators will meet their offsetting requirements under CORSA by purchasing and cancelling CORSA eligible emissions units. The ICAO Council determines CORSA eligible emissions units upon recommendations by its Technical Advisory Body (TAB) and consistent with the CORSA Emissions Unit Eligibility Criteria (EUC).

In March 2019, the ICAO Council unanimously approved the ICAO Document *CORSA Emissions Unit Eligibility Criteria* for use by TAB in undertaking its tasks¹. TAB's assessment of emissions units programmes is undertaken annually². ICAO Council decisions that take account of these recommendations are contained in the ICAO Document *CORSA Eligible Emissions Units*³.

ICAO invites emissions unit programmes⁴ to apply for the 2022 cycle of assessment by the TAB, which will involve collecting information from each programme through this programme application form and supplementary materials and requested evidence.

Through this assessment, the TAB will develop recommendations on the list of eligible emissions unit programmes (and potentially project types) for use under the CORSA, which will then be considered by the ICAO Council.

This form is accompanied by, and refers to, Appendix A “*Supplementary Information for Assessment of Emissions Unit Programmes*”, containing the EUC and *Guidelines for Criteria Interpretation*. These EUC and Guidelines are provided to inform programmes' completion of this application form, in which they are cross-referenced **by paragraph number**.

This form is also accompanied by Appendix B “*Programme Assessment Scope*”, and Appendix C “*Programme Exclusions Scope*”, which request all applicants to identify the programme elements⁵ they wish to submit for, or exclude from, TAB's assessment.

CORSA Eligible Emissions Units Programmes must also complete Appendix D of this application, “*Emissions*

¹ Available on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/CORSA-Emissions-Units.aspx>

² Recommendations from 2019 TAB assessment: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB2019.aspx>

Recommendations from 2020 TAB assessment: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB2020.aspx>

Recommendations from 2021 assessment: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB2021.aspx>

³ Available on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/CORSA-Emissions-Units.aspx>

⁴ “Emissions Unit Programme”, for the purposes of TAB's assessment, refers to an organization that administers standards and procedures for developing activities that generate offsets, and for verifying and “issuing” offsets created by those activities. For more information, please review the TAB FAQs on the ICAO CORSA website: <https://www.icao.int/environmental-protection/CORSA/Pages/TAB.aspx>

⁵ At the “activity type” level (e.g., sector(s), sub-sector(s), and/or project “type(s)”)

Unit Programme Registry Attestation” in line with the instructions contained in Appendix D. Applicant organizations are strongly encouraged to submit this information by the deadline for submitting all other application materials for the current assessment cycle.

This form also requests *evidence of programme procedures or programme elements*. These evidentiary documents enable TAB to a) confirm that a given procedure or program element is *in place*, b) more fully comprehend the programme’s summary responses, and c) archive the information as a reference for potential future assessments. Programme responses to this application form will serve as the primary basis for the assessment. Such assessment may involve e.g. clarification questions, live interview(s) with TAB, and a completeness check of the application, as further requested.

Translation: The working language of the assessment process is English. Translation services are not available for this process. If the programme documents and information are not published in English, the programme should fully describe in English (*rather than summarize*) this information in the fields provided in this form, and in response to any additional questions. Where this form requests *evidence of programme procedures*, programmes are strongly encouraged to provide these documents in English, to provide for accuracy and comprehension. Where this is not possible due to time constraints or document length, the programme may provide such documents in their original language in a readily translatable format (e.g., Microsoft Word). Those programmes that need to translate documents prior to submission may contact the ICAO Secretariat regarding accommodation.

Disclaimer: The information contained in the application, and any supporting evidence or clarification provided by the applicant including information designated as “business confidential” by the applicant, will be provided to the members of the TAB to properly assess the programme and make recommendations to the ICAO Council. The application and such other evidence or clarification will be made publicly available on the ICAO CORSIA website for the public to provide comments, except for information which the applicant designates as “business confidential”. The applicant shall bear all expenses related to the collection of information for the preparation of the application, preparation and submission of the application to the ICAO Secretariat and provision of any subsequent clarification sought by the Secretariat and/or the members of the TAB. Under no circumstances shall ICAO be responsible for the reimbursement of such or any other expenses borne by the applicant in this regard, or any loss or damages that the applicant may incur in relation to the assessment and outcome of this process.

SECTION II: INSTRUCTIONS

Submission and contacts

A programme is invited to complete and submit the form, including accompanying evidence and with required appendices, through the ICAO CORSIA website no later than close of business on **25 February 2022**. Within seven business days of receiving this form, the Secretariat will notify the programme that its form was received.

If the programme has questions regarding the completion of this form, please contact ICAO Secretariat via email: officeenv@icao.int. Programmes will be informed, in a timely manner, of clarifications provided by ICAO to any other programme.

Form basis and cross-references

Questions in this form are derived from the CORSIA emissions unit eligibility criteria (EUC) and any *Guidelines for Criteria Interpretation* introduced in Section I (above). To help inform the programme's completion of this form, each question includes the paragraph number for its corresponding criterion or guideline that can be found in [Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”](#).

Application Form completion

The programme is expected to respond to all questions in this application form at the time of application submission. TAB cannot initiate its assessment of applications in which this information is not provided in full as requested in this section. Failure to provide complete information may result in delays to the application's assessment.

A “complete” response involves three components: 1) a written summary response; 2) supporting evidence; and 3) programme revisions, where an applicant is considering or undertaking revisions to a programme procedure in question.

- 1) **Written summary responses:** The programme is encouraged to construct written summary responses in a manner that provides for general comprehension of the given programme procedure, independent of supporting evidence. TAB will confirm each response in the supplementary evidence provided by the programme. Please note that written summary responses should be provided in all cases—supporting evidence (described in *c*) below) should not be considered as an alternative to a complete summary response..
- 2) **Supporting evidence:** Most questions in this form request *evidence of programme procedures or programme elements*. Such evidence may be found in programme standards, requirements, or guidance documents; templates; programme website or registry contents; or in some cases, in specific methodologies. To help manage file size, the programme should limit supporting documentation to that which directly substantiates the programme's statements in this form.

Regarding such requests for evidence, programmes are expected to substantiate their responses in any of these ways (**in order of preference**):

- a) web links to supporting documentation included along with the written summary response to each given question; with instructions for finding the relevant information within the linked source (i.e. identifying the specific text, paragraph(s), or section(s) where TAB can find evidence of the programme procedure(s) in question);
- b) copying/pasting information directly into this form (no character limits) along with the written summary response;

- c) attaching supporting documentation to this form at the time of submission, with instructions for finding the relevant information within the attached document(s);

EXAMPLE of preferred approach to providing supporting evidence that could meet expectations for complete responses to a question:

“The Programme ensures its consistency with this requirement by requiring / undertaking / etc. the following:

[Paragraph(s) introducing and summarizing specific programme procedures relevant to question]

The full contents of these procedures can be found in [Document title, page X, Section X, paragraphs X-X]. This document is publicly available at this weblink: [weblink].”

3) **Programme revisions**: Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, please provide the following information in response to any and all relevant form question(s):

- a) Proposed revision(s);
- b) Process and proposed timeline to develop and implement the proposed revision(s);
- c) Process and timeline for external communication and implementation of the revision(s).

Application and assessment scope

The programme may elect to submit for TAB assessment all, *or only a subset*, of the activities supported by the programme. The programme is requested to identify, in the following Appendices, the activities that it wishes to submit for, or exclude from, TAB’s assessment:

In **Appendix B** “*Programme Assessment Scope*”, the programme should clearly identify, at the “activity type” level (e.g., sector(s), sub-sector(s), and/or programme/project “type(s)”), elements that the programme **is submitting for TAB’s assessment** of CORSIA eligibility; as well as the specific methodologies, protocols, and/or framework(s) associated with these programme elements; which *are* described in this form.

In **Appendix C** “*Programme Exclusions Scope*”, the programme should clearly identify, at the “activity type” level (e.g., sector(s), sub-sector(s), and/or programme/project “type(s)”), any elements the programme **is not submitting for TAB’s assessment** of CORSIA eligibility, which *are not* described in this form; as well as the specific methodologies, protocols, and/or framework(s) associated with these programme elements.

Emissions Unit Programme Registry Attestation

In **Appendix D** “*Emissions Unit Programme Registry Attestation (version 2, January 2022)*”, the programme should provide the information relating to programme registry functionality that is referred to in the attestation and its attachment. Both the programme representative of an emissions unit programme, and the administrator or authorized representative of the registry designated by the programme, should review and attest to the accuracy of this information and their acceptance of the terms, preferably at the time of application.

(NEW in 2022) Treatment of EUC-relevant programme procedures at the methodology level

Programmes that identify with the following explanations are encouraged to summarize and provide evidence of both their overarching *programme-level* procedure(s) and *methodology-level* procedure(s) wherever relevant:

The CORSIA EUC and TAB assessments typically apply to *programme-level* procedures rather than to individual methodologies or projects. Most programmes' overarching guidance documents contain a mix of *general/guiding* requirements and *technical* ones. However, some programmes set out general requirements in overarching guidance documents, while reflecting key technical procedures in programme methodologies⁶. **Such methodologies may be relevant to TAB's assessment.** This could be the case where, e.g., the methodologies are developed directly by the programme (staff or contractors); the programme must refer to a methodology's requirements when describing its alignment with the EUC; the programme's general requirements alone are too high-level/non-specific for TAB to assess them as stand-alone procedures.

EXAMPLE: Programme A's project standard contains its *programme-level* general requirements. The standard requires all activities to pass a programme-approved additionality test. However, Programme A sets out a unique list of approved tests in each of its methodologies—rather than providing a single list or menu in its programme-level standard. These lists vary across different activity types or category(ies). Thus, TAB may ultimately need to assess Programme A's programme- *and* methodology-level requirements in order to confirm its use of the specific additionality tests called for under the *Must be Additional* criterion.

“Linked” certification schemes

This application form should be completed and submitted exclusively on behalf of the programme that is described in Part I of this form.

Some programmes may supplement their standards by collaborating with other schemes that certify, e.g., the social or ecological “co-benefits” of mitigation. The programme can reflect a linked scheme's procedures in responses to this form, where this is seen as enhancing—i.e. going “above and beyond”—the programme's own procedures.

For example, the programme may describe how a linked scheme audits sustainable development outcomes; but is not expected to report the linked scheme's board members or staff persons.

Programmes should clearly identify any information provided in this form that pertains to a linked certification scheme and/or only applies when a linked certification scheme is used.

Disclosure of programme application forms and public comments

Applications, including information submitted in Appendices B, C, and D, as well as other information submitted by applicants will be publicly available on the ICAO CORSIA website, except for materials which the applicants designate as business confidential.

The public will be invited to submit comments on the information submitted, including regarding consistency with

⁶ Note that any applicant may use different terminology. For example, a programme may refer to a “methodology” as a protocol or framework.

the EUC, through the ICAO CORSIA website, for consideration by the TAB in its assessment.

SECTION III: APPLICATION FORM

PART 1: General information

A. Programme Information

Programme name: [BioCarbon Fund Initiative for Sustainable Forest Landscapes](#)

Administering Organization⁷: [The World Bank](#)

Official mailing address: [1818 H Street NW, Washington DC 20433](#)

Telephone #: [+1\(202\) 473 1000](#)

Official web address: [www.biocarbonfund-isfl.org](#)

B. Programme Administrator Information

Full name and title: [Roy Parizat, Fund Manager, BioCarbon Fund ISFL](#)

Employer / Company (*if not programme*): [The World Bank](#)

E-mail address: rparizat@worldbank.org

Telephone #: [+1 \(202\) 473 6179](#)

C. Programme Representative Information (if different from Programme Administrator)

Full name and title: [Click or tap here to enter text.](#)

Employer / Company (*if not Programme*): [Click or tap here to enter text.](#)

E-mail address: [Click or tap here to enter text.](#)

Telephone #: [Click or tap here to enter text.](#)

D. Programme Senior Staff / Leadership (e.g., President / CEO, board members)

List the names and titles of programme's senior staff / leadership, including board members:

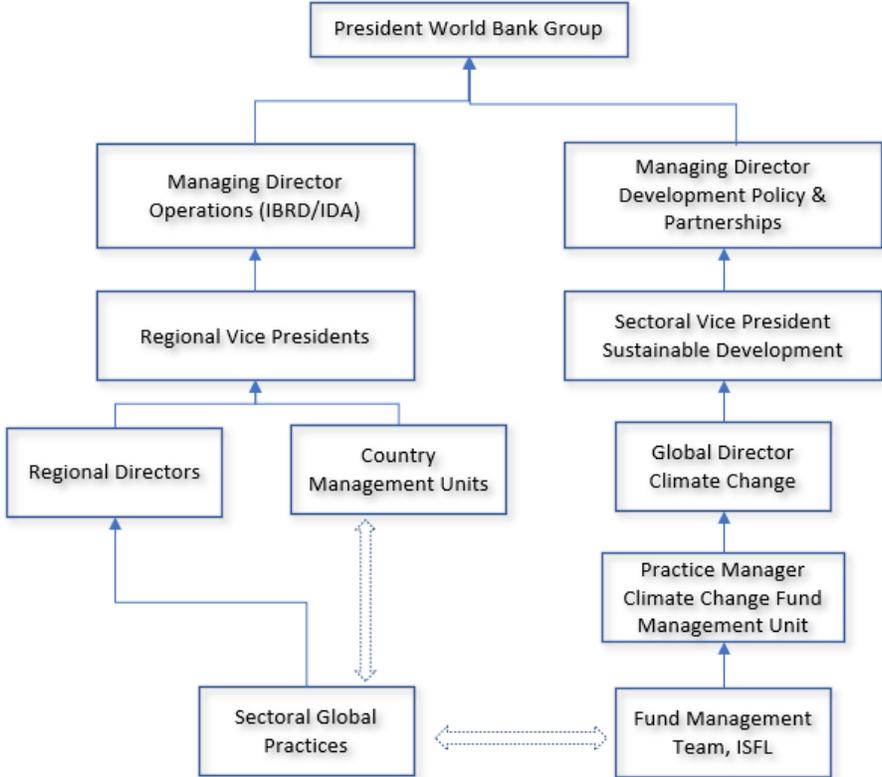
The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) is a multilateral fund with the financial contributors, the Kingdom of Norway, and Governments of Germany, Switzerland, the United Kingdom and the United States represented in the governance of the fund. The World Bank is the Trustee and Secretariat of the ISFL, which is managed by the Climate Funds Management Unit of the Climate Change Group in the Sustainable Development Practice Group of the World Bank.

⁷ Name of the business, government agency, organization, or other entity that administers the Emissions Unit Programme, *if different from "Programme Name"*.

The ISFL leadership includes Mr. Roy Parizat, Fund Manager, ISFL, Mr. Marc Sadler, Practice Manager, Climate Change Fund Management unit, Ms. Bernice K. Van Bronkhorst, Global Director, Climate Change Group; and Mr. Juergen Voegelé, Vice President, Sustainable Development Practice Group.

Provide an organization chart (in the space below or as an attachment) that illustrates, or otherwise describes, the functional relationship a) between the individuals listed in D; and b) between those individuals and programme staff / employees; and c) the functions of each organizational unit and interlinkages with other units.

The diagram below shows the organizational structure, in particular, to show where the ISFL is placed within the World Bank Group. The solid arrows are the reporting lines whereas the dotted arrows are the working relationships between the units. As can be seen, ISFL Fund Manager is part of the Fund Management Team (FMT) which serves as the fund secretariat with responsibilities on fiduciary aspects, development of ISFL requirements, guidance documents, leading ERPA negotiations, coordinating the validation and verification of ISFL ER programs, monitoring program progress, etc. The Sectoral Global Practices (GPs) lead the development and implementation of the ISFL ER programs in client countries. The Country Management Units (CMUs) coordinate and manage the World Bank’s engagement (including through such programs) in client countries. The Sectoral GPs, work closely with the CMUs throughout the life cycle of the project or program. The ISFL FMT also works with the respective Sectoral GPs of ISFL ER Programs to monitor progress, provide guidance, negotiate ERPAs with client countries, coordinate validations and verifications, etc.



PART 2: Programme summary

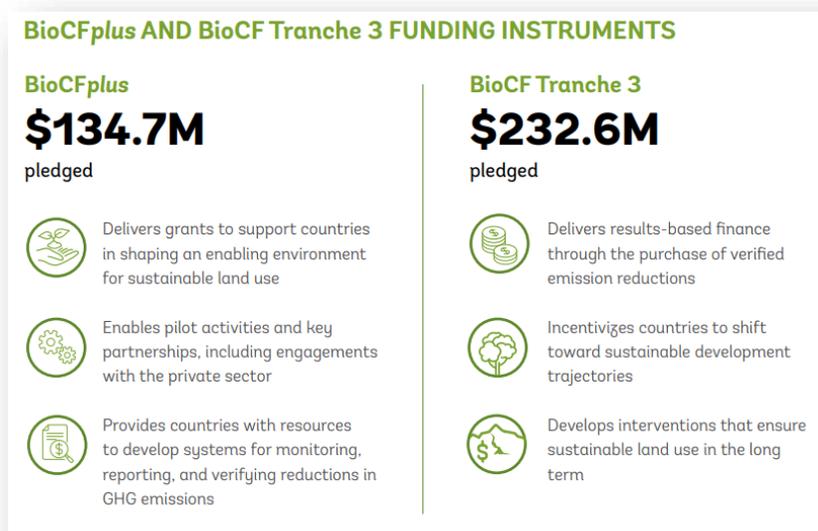
Provide a summary description of your programme

The BioCarbon Fund was established in 2004 as the first carbon fund established globally with its focus on land use piloting the Afforestation and Reforestation, Reducing Emissions from Deforestation and Forest Degradation (REDD+) and Sustainable Agriculture Land Management (SALM) activities.

The Biocarbon Fund Initiative for Sustainable Forest Landscapes (ISFL), established in 2013, collaborates with national governments to reduce emissions from land use through smart land-use planning, policies, and practices. The ISFL promotes and rewards emissions reduction through sustainable land use by REDD+, climate-smart agriculture, and smart land use planning and policies at the jurisdiction scale. ISFL programs work toward multiple objectives including protecting primary forests, restoring degraded lands, and boosting agricultural productivity to enhance local livelihoods and to preserve essential ecosystems. They serve as in-country, strategic engagement platforms that mobilize, coordinate, and scale funding from different sources. Synchronizing multi-sector and multi-partner land-use interventions can help to maximize the positive results of independent initiatives and broaden access to additional public and private sector funding. The ISFL vision and approach document is available at the below link:

<https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Vision.pdf>

The ISFL has two key funding instruments, BioCFplus and BioCF Tranche 3, each designed specifically to realize the vision of the ISFL: BioCFplus supports grant-based technical assistance and capacity-building efforts in each jurisdiction. It provides the critical investment finance needed to establish an enabling environment for sustainable land use and develop systems for monitoring, reporting, and verifying GHG emission reductions. In addition, BioCFplus directly finances advisory service projects aimed at attracting private sector interest in ISFL jurisdictions, which can benefit farmers as well as other actors.



In parallel BioCF Tranche 3 provides results-based payments for high-quality verified emission reductions through ERPAs (for up to 10-year periods) which reward the outcomes of jurisdictional sustainable land use interventions of programs that have proven to comply successfully with the ISFL Program Requirements. The BioCFplus, in combination with results-based finance from BioCF Tranche 3, allows ISFL programs to use context-specific tools and approaches to reduce emissions from land-use sectors.

<https://www.biocarbonfund-isfl.org/who-we-are>

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-10/ISFL%202021%20Annual%20Report_Web_120dpi_Sprds.pdf

The ISFL ER programs are implemented at a jurisdictional scale with a focus on sustainable land use and climate change mitigation activities targeting agriculture, forestry, and other land uses (AFOLU). Each ISFL program utilizes a landscape approach across an entire jurisdiction (sub-national/province/region), one level below the national jurisdiction, thereby enabling policy interventions and engaging with multiple stakeholders that influence land-use decisions. The scale of ISFL ER programs is therefore several times greater than the scale of traditional projects targeting land-use activities.

The ER programs of the ISFL must comply with the approved ISFL ER Program Requirements, which specify design and methodological requirements including eligibility for categories and sub-categories of land use activities, so as to be eligible for implementation and to issue verified and certified ERs from ISFL. The current version of the Program Requirements can be found here: https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

Requirements for third-party validation and verification are provided in the ISFL Validation and Verification Requirements (VVR). According to the VVR, the ERs from ISFL Programs are subject to an accredited third-party validation and verification conducted by a Validation and Verification Body (VVB) accredited under ISO 14065 for scope ISO 14064-2 by an Accreditation Body that is a signatory of the IAF Multilateral Recognition Arrangement for ISO 14065. The VVR also outlines requirements for the basis of validation and verification including objectives, materiality, criteria, and level of assurance.

The process for approval of regulatory documents including methodologies and the program cycle for ISFL Programs, including validation, registration, and verification are described in the ISFL Process Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Requirements related to the reversal management mechanism, including beyond the ISFL ERPA Phase, and requirements related to the uncertainty discount are described in the ISFL Buffer Requirements: https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Buffer%20Requirements_2020_Final.pdf

The certified ISFL ERs issued after verification are managed through a centralized ER Transaction Registry, known as the Carbon Asset Tracking System (CATS), that identifies ERs using a serialization process to assign a unique global carbon ticker code to facilitate their tracking and transfer. A record of ER units issued will be cataloged in the Transaction Registry, which has capabilities to uniquely identify the CORSIA-eligible ERs. The Transaction Registry has policies and procedures in place that avoid double-issuance, double-use, double-claiming, and

double-selling of ISFL ERs. More information, including procedures, for CATS may be found in the following link: <https://cats.worldbank.org/>

Finally, to avoid confusions, it is worthwhile to mention that The Biocarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) is different from the Forest Carbon Partnership Facility (FCPF). They are independent and separate GHG Programs managed by the Climate Change Group in the World Bank. They are complementary jurisdiction scale climate change mitigation initiatives targeting GHG emissions from land use, which account for about a quarter of global GHG emissions. However, the ISFL focuses on jurisdiction scale mitigation targeting all eligible land use activities under Agriculture, Forest and Other Land Use (AFOLU), while the FCPF is focused on reducing deforestation, forest degradation, the sustainable management of forests, conservation and enhancement of forest carbon stocks (REDD+).

PART 3: Emissions Unit Programme Design Elements

Note—where “evidence” is requested throughout *Part 3* and *Part 4*, the programme is expected to provide web links to documentation and to identify the specific text, paragraph(s), or section(s) where TAB can find evidence of the programme procedure(s) in question. If that is not possible, then the programme may provide evidence of programme procedures directly in the text boxes provided (by copying/pasting the relevant provisions) and/or by attached supporting documentation, as recommended in “SECTION II: INSTRUCTIONS—*Form Completion: Supporting Evidence*”.

Note—“*Paragraph X.X*” in this form refers to corresponding paragraph(s) in Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”.

Note—Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, provide the following information in response to any and all relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

Question 3.1. Clear methodologies and protocols, and their development process

Provide *evidence*⁸ that the programme’s qualification and quantification methodologies and protocols are *in place* and *available for use*, including where the programme’s existing methodologies and protocols are publicly disclosed: (*Paragraph 2.1*)

The comprehensive landscape accounting approach forms the basis for accounting and reporting of ERs from ISFL

⁸ For this and subsequent “evidence” requests, evidence should be provided in the text box (e.g., web links to documentation), and/or in attachments, as recommended in “SECTION II: INSTRUCTIONS—*Form Completion*”.

ER programs implemented at a jurisdictional scale. The ISFL ER Program Requirements serve as the standard/methodological basis for implementing ISFL ER programs. The current version of the ISFL ER Program Requirements is disclosed at <https://www.biocarbonfund-isfl.org/knowledge-center> and is available at the following link: https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

The summary of the ISFL Program Requirements is available at the following link: <https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20ER%20Program%20Requirements%20Booklet.pdf>

Summarize the programme's process for developing further methodologies and protocols, including the timing and process for revision of existing methodologies: (*Paragraph 2.1*)

All documents and new versions (including Requirements, Guidance Notes, Templates, and supporting documentation) shall be prepared by the Facility Management Team (FMT) and presented to ISFL Contributors for approval prior to making them publicly available on the ISFL Webpage.

Moreover, new versions of the ISFL ER Program Requirements shall be subject to a 30-day public comment period through the ISFL webpage. The process for developing methodologies and protocols is described in the ISFL Process Requirements, section 16. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Provide *evidence of the public availability* of the programme's process for developing further methodologies and protocols: (*Paragraph 2.1*)

Section 16 of the ISFL Process Requirements provides details of approval and revisions to ISFL ER Program Requirements, Guidance Notes, and Templates. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Question 3.2. Scope considerations

Summarize the level at which activities are allowed under the programme (e.g., project based, programme of activities, jurisdiction-scale): (*Paragraph 2.2*)

ISFL programs are implemented at a jurisdictional scale (e.g., sub-national/province/region) that is one level below national jurisdiction. This is noted in sections 1 and 3.1 of the [ISFL ER Program Requirements](#), but also in the description of the [ISFL Pillars](#). Moreover, Programs are expected to provide information in sections 2 and 3 of the ISFL Program Document Template (https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20PD%20Template_January%202020.pdf) to demonstrate that they comply with the scale requirements of the ISFL. The level at which activities are allowed in the ISFL is also described on page 2 of the [ISFL Vision](#).

Summarize the eligibility criteria for each type of offset activity (e.g., which sectors, project types, and geographic locations are covered): (*Paragraph 2.2*)

The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) collaborates with countries around the world to reduce emissions from the land sector (including forest, agriculture and other land uses (AFOLU) in a Jurisdiction.

ISFL countries are selected on the basis of criteria that provide the best foundation for ISFL programs to achieve the greatest possible impact. These criteria ensure that countries are prepared to undertake a complex land-use program that will be governed and monitored effectively. They also assess the global community's commitment to working collectively toward in-country solutions so that countries have the necessary support to achieve results. The key design elements of ISFL Programs are summarized below:

- **Scale:** each ISFL program focuses on an entire jurisdiction (for example, a state, province, or region) within a country so it can engage with multiple sectors affecting land use and rapidly increase its impact. ISFL ER Programs are required to demonstrate that they are undertaken using a jurisdictional and Integrated Landscape Management approach which requires stakeholders to consider the trade-offs and synergies between different sectors that may compete in a jurisdiction for land use – such as forests, agriculture, energy, mining, and infrastructure.
- **Accounting and reporting:** ISFL ER Programs shall report on all AFOLU related Emissions and Removals from sectors occurring in the Program Area including agriculture, livestock, forestry, among others. Also, ISFL ER Programs shall compile a GHG inventory of all AFOLU categories, subcategories, gases, and pools in the Program Area. See section 4 of the ISFL Program Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf
- **Participation of the private sector:** the establishment of Public-Private Partnerships (PPPs) is essential for ISFL Programs to align objectives and mobilize capital to create sustainable and scalable models for improved land use in the long term.
- **Building on experience:** to work at scale effectively, the ISFL builds upon the experiences and lessons learned from the ISFL's initial land-use pilot projects, REDD+ initiatives, and other sustainable forestry and land-use programs, such as the Forest Carbon Partnership Facility (FCPF). This streamlined approach allows the ISFL to add value to existing platforms while avoiding redundancies.

The criteria for selecting the ISFL Programs can be found here: <https://www.biocarbonfund-isfl.org/programs> . These criteria are summarized below:

- **Engagement and capacity for large-scale programs:** The ISFL assesses the degree of readiness for a large-scale emission reductions program. This is based on a preliminary assessment of a country's engagement in, and capacity for, a results-based or REDD+ program and its potential to reduce carbon emissions. In particular, links between national efforts for sustainable forestry use and other land uses are considered, as well as the institutional arrangements in place and the capacity of local stakeholders to implement such a program.
- **Enabling environment and governance:** The ISFL assesses the current quality of the enabling environment and its potential to improve, considering the strength of governance, private sector engagement, and in-country green growth initiatives.
- **Agricultural drivers of land-use change:** The ISFL analyzes the agricultural factors behind the land-use change to understand which commodities, if any, are key drivers and whether the pressure on forests could be considered historically high or likely to increase significantly. This analysis allows the ISFL to understand the potential of climate-smart agriculture practices to reduce GHG emissions in potential program countries.

Currently, the ISFL approved Programs are located in Colombia, Ethiopia, Indonesia, Mexico, and Zambia.

<https://www.biocarbonfund-isfl.org/programs>

Provide *evidence* of the Programme information defining a) level at which activities are allowed under the Programme, and b) the eligibility criteria for each type of offset activity, including its availability to the public: (Paragraph 2.2)

- a) Sections 1 and 3.1 of the ISFL ER Program Requirements clarify that programs should be implemented at jurisdiction scale and that they demonstrate scale and ambition following integrated landscape approach https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf. Moreover, Programs are expected to provide information in sections 2 and 3 of the ISFL Program Document Template (https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20PD%20Template_January%202020.pdf) to demonstrate that they comply with the scale requirements of the ISFL. The level at which activities are allowed in the ISFL is also described on page 2 of the ISFL Vision. <https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Vision.pdf>
- b) Section 4.3 and Annex 1 of ISFL ER Program Requirements clarify the eligibility criteria of categories and sub-categories of activities eligible for implementation in ER programs; and at the below link https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

Question 3.3. Offset credit issuance and retirement procedures

Are procedures in place defining how offset credits are... (Paragraph 2.3)	
a) issued?	<input checked="" type="checkbox"/> YES
b) retired / cancelled?	<input checked="" type="checkbox"/> YES
c) subject to discounting (if any)?	<input checked="" type="checkbox"/> YES

Are procedures in place defining... (Paragraph 2.3)	
d) the length of crediting period(s)?	<input checked="" type="checkbox"/> YES
e) whether crediting periods are renewable?	<input checked="" type="checkbox"/> YES

Provide evidence of the procedures referred to in a) through e) (if any, in the case of “c”), including their availability to the public:

- a) Procedures for credit issuance are presented in the Carbon Asset Tracking System (CATS) Operational Guidelines section 2.3.2. Recording and Issuance. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf
- b) Procedures for retirement/cancellation are presented in the Carbon Asset Tracking System (CATS) Operational Guidelines section 3.3.7. Cancellation and 3.3.8. Retirement. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf
- c) Requirements on discounting are related to the uncertainty discount to manage uncertainties as described in the buffer requirements: https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Buffer%20Requirements_2020_Final.pdf
- d) The length of crediting period under ISFL (a.k.a. ISFL ERPA Phase) is of 5 years maximum. Crediting periods

are defined by each ISFL ER Program but shall be at least two and the latest shall not be later than 31 December 2029. Hence, it is expected that ER programs will include multiple crediting periods (ERPA phases) until 31 December 2029. Emission Baseline shall be revised in each renewal of the crediting period and shall be subject to Validation (c.f. para 10-12 of the Validation and Verification Requirements, and para 63 of the Process Requirements available at the below links).

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-02/ISFL%20Glossary%20of%20Terms_2021_Final.pdf

https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

- e) The crediting periods are renewable. The definition of crediting period/ERPA phase is presented in the ISFL Glossary of Terms available at the below link.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-02/ISFL%20Glossary%20of%20Terms_2021_Final.pdf

Question 3.4 Identification and Tracking

Does the programme utilize an electronic registry or registries? (<i>Paragraph 2.4.2</i>)	<input checked="" type="checkbox"/> YES
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Provide web link(s) to the programme registry(ies) and indicate whether the registry is administered by the programme or outsourced to a third party (*Paragraph 2.4.2*):

The Carbon Assets Tracking System (CATS) is an Emission Reduction (ER) Transaction Registry, designed and implemented to support the issuance and transactions of ER units generated under the World Bank Programs. The first release of CATS provides the foundational and central architecture for accounting and transactions of ER units under the Forest Carbon Partnership Facility Carbon Fund (FCPF CF) and BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL) ER Programs.

<https://cats.worldbank.org/>

CATS is operated and administered by the IBRD acting as trustee of the BioCarbon Fund Initiative for Sustainable Forest Landscapes and the Forest Carbon Partnership Facility on behalf of the participants. See the CATS Terms and Conditions available on the **Error! Hyperlink reference not valid.** website:

https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf

Does the programme have procedures in place to ensure that the programme registry or registries...:	
a) have the capability to transparently identify emissions units that are deemed ICAO-eligible, in all account types? (<i>Paragraph 2.4.3</i>)	<input checked="" type="checkbox"/> YES
b) identify, and facilitate tracking and transfer of, unit ownership/holding from issuance to cancellation/retirement? (<i>Paragraphs 2.4 (a) and (d) and 2.4.4</i>)	<input checked="" type="checkbox"/> YES
c) identify unit status, including retirement / cancellation, and issuance status? (<i>Paragraph 2.4.4</i>)	<input checked="" type="checkbox"/> YES
d) assign unique serial numbers to issued units? (<i>Paragraphs 2.4 (b) and 2.4.5</i>)	<input checked="" type="checkbox"/> YES
e) identify in serialization, or designate on a public platform, each unique unit's country and	<input checked="" type="checkbox"/> YES

sector of origin, vintage, and original (and, if relevant, revised) project registration date? (Paragraph 2.4.5)	
f) are secure (i.e. that robust security provisions are in place)? (Paragraph 2.4 (c))	<input checked="" type="checkbox"/> YES

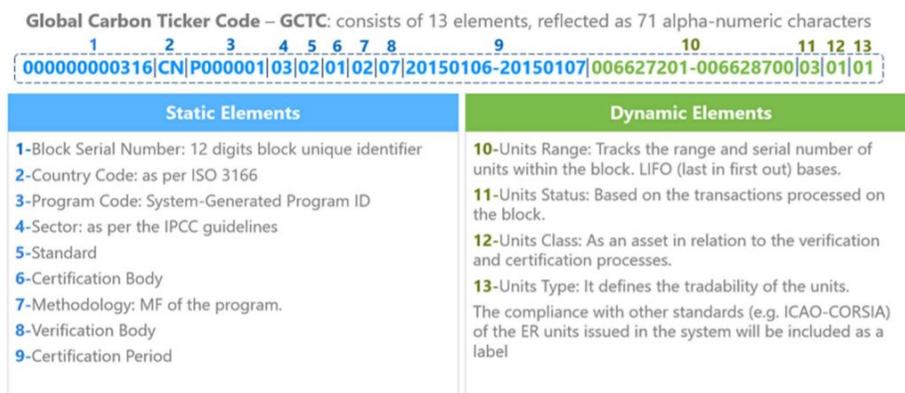
Summarize and provide evidence of the procedures referred to in a) through f), including the availability to the public of the procedures referred to in b), d), and f):

The ER Transaction Registry has the capabilities to designate the ICAO eligible units in all account types, identify track and transfer unit holding from issuance to retirement/cancellation, and uniquely serialize units including information on unit status (active, buffered, canceled, or retired), unit's country and sector of origin and vintage of credits among other information as part of the Global Carbon Ticket Code (GCTC).

The registry procedures ensure traceability, transparency, efficiency, environmental Integrity, and ISFL compliance requirements.

- a) The identification of the ICAO-eligible units (as the compliance of BioCF ISFL ER units with other standards), will be explicitly added as a label to the unique serial number (GCTC). The GCTC consists of 13 elements, reflected as 71 alpha-numeric characters that can be described as (i) Static Elements that never change throughout the block lifecycle and define the details and characteristics of the block origin; and (ii) Dynamic Elements that are subject to continuous changes through the block life-cycle and define current state and characteristics of the block in relation to the transactions which have been performed.

Serialization Mechanism



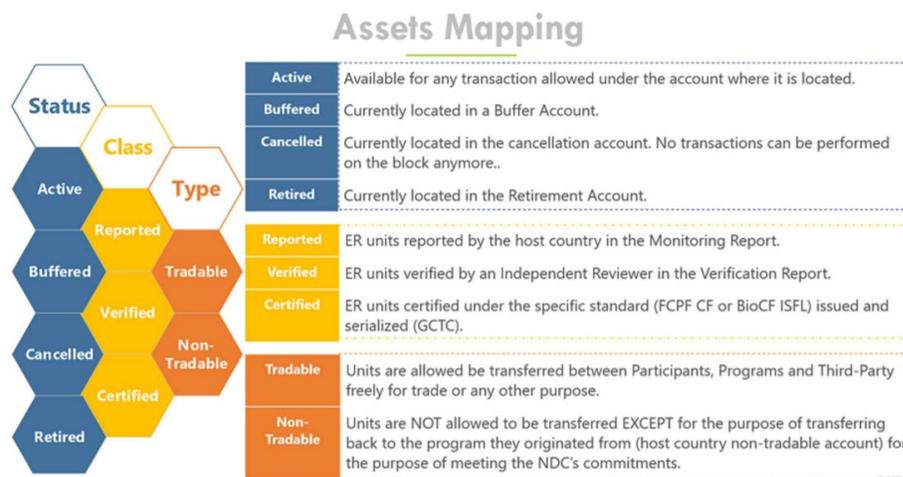
As can be seen from the above figure, the last 3 elements of the serial number characterize ICAO eligible units (status-active, class-certified, type-tradable) and the compliance with the standard will be explicitly labeled to the GCTC. For further details check section 2.3.2.1. Global Carbon Ticker Code (GCTC). ER Units Serialization of the CATS Operational Guidelines

https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf

- b) CATS identifies and facilitates tracking and transfer of unit holding from issuance to cancellation/retirement. The unit's lifecycle starting with issuance until its cancellation or retirement consists of a series of sequential irreversible transactions. Upon the issuance of units, each block is assigned a unique code (GCTC) that contains identifiable elements that facilitate the tracking of the block for the rest of its lifecycle. The holding accounts provide clear and transparent functions that identify the status and ownership of each block at any point in its lifecycle. The issuance transaction is built with the

necessary checks to prevent double issuance and both the retirement and the cancellation transactions are irreversible and final, which serves as a transparent and secure tool to account for the units already utilized for a specific purpose and prevents double claiming. Throughout its lifecycle, the allocation/transfer of units between the different accounts is distinctly identified. The responsibilities of the parties involved in the transactions are clearly defined in strictly observed approval matrix through specific roles and authorizations. Therefore, privileges to process the transactions - including the issuance, transfer, and retirement/cancellation transactions - are restricted to responsible parties. For detailed information consult section 2.3.1. of the CATS Operational Guidelines. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf

- c) The status, class, and type of the units are the three dynamic elements, part of the GCTC, that describe if the unit is active, it has been allocated in a buffer account, or it has been canceled or retired. Also, if the unit has been reported, verified, and certified and if we are dealing with a tradable or a non-tradable unit (to be retired against a mitigation goal, e.g. NDC). The GCTC facilitates the tracking of the block for the rest of its lifecycle across multiple accounts.



- d) The serialization function, upon the issuance of units, assigns a unique Global Carbon Ticket Code (GCTC) that contains identifiable elements that facilitate the tracking of the block for the rest of its lifecycle. This unique serial number follows the data exchange protocol of International Transaction Log (ITL) that uniquely identifies the status of emission reductions from issuance to retirement/cancellation.
- e) The serialization function (GCTC) in CATS allows for identification by country (country code as per ISO 3166), sector (IPCC), vintage (certification period), and project registration date (program code).
- f) The ER Transaction Registry has robust security provisions to ensure that credits managed in the registry are secure. A robust KYC (Know your Customer) sanctions screening solution through Lexis Nexis has been implemented for entities and users. This service is operative when creating/editing an entity/user and at the end of the day batch process. Provisions for ensuring the security of units and users in CATS are described in section 2.2.1. Integrity Due Diligence Procedures of the CATS Operational Guidelines. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf

List any/all international data exchange standards to which the programme's registry(ies) conform: (Paragraph 2.4 (f))

The International Transaction Log (ITL) connects registries and UNFCCC secretariat systems involved in the emissions trading mechanism under the Kyoto Protocol (and its Doha amendment). The specifications of this ITL system are defined in the Data Exchange Standards (DES). The BioCF ISFL ER Programs and consequently the WB ER Transaction Registry does not fall within the scope of the Kyoto Protocol emission trading mechanism nor the ITL/DES system.

Data Exchange Standards (DES) adapted to non-Kyoto Protocol mechanisms, if any, will be considered. So far, the current GCTC proposal has been made as much ITL compatible as possible.

Are policies and robust procedures in place to...	
a) prevent the programme registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services? (<i>Paragraph 2.4.6</i>)	<input checked="" type="checkbox"/> YES
b) ensure that, where such conflicts arise, they are appropriately declared, and addressed and isolated? (<i>Paragraph 2.4.6</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

The ER Transaction Registry has policies and procedures in place to avoid conflicts of interests in the provision of registry services:

- a) The Terms and Conditions; and Operational Guidelines of the registry have provisions to avoid conflict of interest associated with governance or provision of registry services. The governance system consists of a minimum of two-level clearance system, with the participation of the program entity and after the final approval by the Administrator, Trust Fund Manager, or Buffer Manager that have registry responsibilities.
- b) The Terms and Conditions (Article XXII) of the registry have measures in place to address conflicts of interest when they arise. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf

Are provisions in place...	
a) ensuring the screening of requests for registry accounts? (<i>Paragraph 2.4.7</i>)	<input checked="" type="checkbox"/> YES
b) restricting the programme registry (or registries) accounts to registered businesses and individuals? (<i>Paragraph 2.4.7</i>)	<input checked="" type="checkbox"/> YES
c) ensuring the periodic audit or evaluation of registry compliance with security provisions? (<i>Paragraph 2.4.8</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the registry security provisions referred to in a) through c):

The ER Transaction Registry has provisions for the application of:

- a) Multi-layered screening of requests for registry access to different registry accounts.
- b) Protocols restricting access to registered and verified accounts to registered entities based on specific access criteria.
- c) Procedures for periodic audits and reporting of the registry’s compliance with security requirements

A robust KYC (Know your Customer) sanctions screening solution through the World Bank Lexis Nexis services has been implemented. This service is operative when creating/editing an entity/user and at the end-of-day batch

process. Accounts are only accessible for registered and approved entities and users. CATS team (Admin) will retain all supporting documents including review/clearance emails from AML-CFT (Anti-Money Laundering and Countering Financing of Terrorism), INT (Integrity Vice Presidency), CP (Corporate Procurement) team when they clear and close a case and make them readily available to auditors and AML-CFT Quality Assurance. All cases with a 100 score are audited and a sample of those with a score lower than 100. A yearly independent audit report certifying that the WB ER transaction registry performs required functions will be prepared and made public. See section 2.2.1. Integrity Due Diligence Procedures of the CATS Operational Guidelines https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf

Question 3.5 Legal nature and transfer of units

Does the programme define and ensure the following:	
a) the underlying attributes of a unit? (Paragraph 2.5)	<input checked="" type="checkbox"/> YES
b) the underlying property aspects of a unit? (Paragraph 2.5)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the processes, policies, and/or procedures referred to in a) and b), including their availability to the public:

- a) **Attributes:** The attributes of a unit can be seen as part of the Global Carbon Ticket Code (GCTC) of each unit:

Serialization Mechanism

Global Carbon Ticker Code – GCTC: consists of 13 elements, reflected as 71 alpha-numeric characters

1
2
3
4
5
6
7
8
9
10
11
12
13

000000000316|CN|P000001|03|02|01|02|07|20150106-20150107|006627201-006628700|03|01|01

Static Elements	Dynamic Elements
<ul style="list-style-type: none"> 1-Block Serial Number: 12 digits block unique identifier 2-Country Code: as per ISO 3166 3-Program Code: System-Generated Program ID 4-Sector: as per the IPCC guidelines 5-Standard 6-Certification Body 7-Methodology: MF of the program. 8-Verification Body 9-Certification Period 	<ul style="list-style-type: none"> 10-Units Range: Tracks the range and serial number of units within the block. LIFO (last in first out) bases. 11-Units Status: Based on the transactions processed on the block. 12-Units Class: As an asset in relation to the verification and certification processes. 13-Units Type: It defines the tradability of the units. <p>The compliance with other standards (e.g. ICAO-CORSIA) of the ER units issued in the system will be included as a label</p>

As can be seen, the GCTC includes information on the Country and Program where the unit has been generated. Also, through CATS it is possible to track the location and the account where the units are located. All information relating to the ownership of the unit is available in the specific documentation of each Program.

- b) **Property:** the ISFL requires ER programs to demonstrate the ability to transfer title (i.e. legal and beneficial ownership) to ERs. The ISFL Guidance Note on the Ability of Program Entity to Transfer Title to Emission Reductions clarifies which requirements, evidence and due diligence must be implemented to demonstrate the ability of a country implementing an ER program to transfer title to ERs; and is available at the below link: <https://www.biocarbonfund-isfl.org/sites/isfl/files/2020->

Section 3.7 of the ISFL ER Program Document Template requires programs to present information on a program entity’s ability to transfer title to ERs to the ISFL. As part of this demonstration, a discussion on the implications of the land and resource regime on the ability to transfer title to ERs needs to be presented. The ability to transfer title to ERs can be demonstrated through various means, including reference to existing legal and regulatory frameworks, sub-arrangements with potential land and resource tenure rights, and/or benefit-sharing arrangements under a Benefit Sharing Plan

Question 3.6 Validation and verification procedures

Are standards, requirements, and procedures in place for... (<i>Paragraph 2.6</i>)	
a) the validation of activities?	<input checked="" type="checkbox"/> YES
b) the verification of emissions reductions?	<input checked="" type="checkbox"/> YES
c) the accreditation of validators?	<input checked="" type="checkbox"/> YES
d) the accreditation of verifiers?	<input checked="" type="checkbox"/> YES

Provide evidence of the standards, requirements, and procedures referred to in a) through d), including their availability to the public:

Section 6 of the ISFL ER Program Requirements specify that ER programs shall be validated and verified using independent third-party auditors.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

- a) The ISFL requires validation of ER Programs to occur prior to the first verification. The ISFL Validation and Verification Requirements (VVR) provide a detailed set of provisions to be applied by accredited third-party auditors to ensure that the Validation criteria of ISFL are fulfilled. The specific process for validation and verification is described in sections 7.4 and 7.6 of the Process Requirements.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

The specific objectives, criteria, and scope of validation of ER Programs are described in paragraph 34, sections 8.3 and 8.4 of the Validation and Verification requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf

- b) The specific objectives, criteria, and scope of Verification of emission reductions are described in paragraph 35, and sections 8.3 and 8.4 of the VVR.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf

- c) and d) Verification of ERs is to be conducted by accredited Validation and Verification Bodies. The Validation and Verification Body shall be accredited under ISO 14065 for scope ISO 14064-2, specifically for Land Use and Forestry by an Accreditation Body that is a signatory of the IAF Multilateral Recognition Arrangement (MLA) for ISO 14065. The ISFL seeks proposals from accredited VVBs for conducting validations and verifications under the ISFL. As of today, validations are being conducted by SCS Global Services, which is accredited [by ANAB under ISO 14065](#). An example of the validation report may be found in the following link: <https://www.biocarbonfund-isfl.org/sites/isfl/files/2021->

[09/ISFL_OFPLP_RPT_AssessmentReport_V1-4_7_22_21.pdf](#) The accreditation process is described in both para 9 of the Process Requirements, and para 8 of the Validation and Verification Requirements.

Question 3.7 Programme governance

Does the programme publicly disclose who is responsible for the administration of the programme? (<i>Paragraph 2.7</i>)	<input checked="" type="checkbox"/> YES
Does the programme publicly disclose how decisions are made? (<i>Paragraph 2.7</i>)	<input checked="" type="checkbox"/> YES

Provide evidence that this information is available to the public:

- a) The World Bank is the trustee of the ISFL on behalf of financial contributors. The Fund Management Team based in the Climate Change Group of the World Bank administers the ISFL. The procedures for administration and management of the ISFL are described in the Process Requirements section 5. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf
- b) The ISFL Contributors and the FMT meet at least once a year to approve budgets. They also make decisions, either at these meetings or on an ad hoc basis, related to the selection of programs, rules of procedures, methodologies, as well as approve funding allocations and budgets. Most of the key outputs from these meetings, alongside other documentation from workshops and knowledge management sessions and meetings, which relate to program decisions are publicly disclosed in the knowledge center of the ISFL website under workshops and presentations: <https://www.biocarbonfund-isfl.org/knowledge-center>

Can the programme demonstrate that it has... (<i>Paragraph 2.7.2</i>)	
a) been continuously governed for at least the last two years?	<input checked="" type="checkbox"/> YES
b) been continuously operational for at least the last two years?	<input checked="" type="checkbox"/> YES
c) a plan for the long-term administration of multi-decadal programme elements?	<input checked="" type="checkbox"/> YES
d) a plan for possible responses to the dissolution of the programme in its current form?	<input checked="" type="checkbox"/> YES

Provide evidence of the activities, policies, and procedures referred to in a) through d):

- a) The ISFL was launched at the UNFCCC 19th Conference of Parties meeting ([COP19](#)) in Warsaw in 2013 and has been governed and operational since then. The information on the operation of ISFL is available at: <https://www.biocarbonfund-isfl.org/>.
- b) As stated in the response to (a).
- c) The ISFL term is expected to run to 31 December 2030. Beyond this date, the World Bank will continue to monitor ISFL ER Programs through 31 December 2045 in relation to the Reversal Management Mechanism. For more details please refer to Question 4.5 (d) in this application.
- d) As stated in the response to (c).

Are policies and robust procedures in place to...	
a) prevent the programme staff, board members, and management from having financial, commercial or fiduciary conflicts of interest in the governance or provision of programme services? (<i>Paragraph 2.7.3</i>)	<input checked="" type="checkbox"/> YES
b) ensure that, where such conflicts arise, they are appropriately declared, and addressed and isolated? (<i>Paragraph 2.7.3</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

The ER Transaction Registry has policies and procedures in place to avoid conflicts of interests in the provision of registry services:

a) The Fund Management Team (FMT) located in the Climate Change Fund Management Unit of the Climate Change Group of The World Bank acts as the Secretariat, administers the ISFL Program, ensures compliance with applicable ISFL requirements. The Validation and Verification coordinator, a member of the FMT facilitates the validation and verification process and ensures that processes are implemented as per the ISFL Requirements. This coordinator, however, does not provide support to the ER Programs on GHG or non-GHG-related issues to avoid conflicts of interest.

i) Administration of BioCarbon Fund ISFL trust fund World Bank Operational Policy (OP) 14.40 provides an overarching policy framework for the administration of trust funds, including the ISFL. It sets out requirements for the establishment, implementation, reporting, auditing, and evaluation of funds administered by the World Bank. The World Bank Operational Policy (OP) 14.40 is available at the below link.

<https://ispan.worldbank.org/sites/ppf3/PPFDocuments/090224b08231c123.pdf>

ii) **Selection of ER programs:** ISFL ER programs are selected through ISFL governance procedures per section 7.1 of ISFL Process Requirements, in which the World Bank Global Practices that coordinate program implementation do not have any role to provide recommendations or views in relation to program selection.

iii) **Validation and verification of ER programs:** The FMT seeks proposals from accredited third-party Validation and Verification Bodies (VVB) to conduct validation of programs and verification of emission reductions from programs. The VVBs are required to be accredited under ISO 14065 for scope ISO 14064-2 by an Accreditation Body that is a signatory of the IAF Multilateral Recognition Arrangement (MLA) for ISO 14065. The ISO 14065:2013 in sections 5.4.1 and 5.4.2 clearly states that to avoid conflicts of interest the VVB:

- shall have a commitment by top management to act impartially in validation or verification activities;
- shall make publicly available a statement that describes its understanding of the importance of impartiality in validation or verification activities, how it manages conflict of interest, and how it ensures the objectivity of validation or verification activities;
- shall have formal rules and/or contractual conditions to ensure that each team member acts in an impartial manner,
- shall document how it manages potential conflict of interest situations and risks to impartiality from within the validation or verification body;

- shall not use personnel with an actual or potential conflict of interest;
 - shall not validate and verify GHG assertions from the same GHG project unless allowed by the applicable GHG programme,
 - shall not validate or verify a GHG assertion where its GHG consultancy services provided support to the responsible party's GHG assertion,
 - shall not validate or verify a GHG assertion where a relationship with those who provided GHG consultancy services to the responsible party that support the GHG assertion poses an unacceptable risk to impartiality,
 - shall not validate or verify a GHG assertion using personnel who were engaged by those who provided GHG consultancy services to the responsible party in support of the GHG assertion,
 - shall not outsource the review and issuance of the validation or verification statement,
 - shall not offer products or services that pose an unacceptable risk to impartiality,
 - shall not state or imply that validation or verification of a GHG assertion would be simpler, easier, faster, or less expensive if a specified GHG consultancy service were used
- b) The FMT, as ISFL Secretariat, is required to follow World Bank's institutional accountability mechanisms conducive to ensure that conflicts that arise are appropriately declared, isolated, and addressed in a transparent and systematic manner. These include:
- i) **Inspection Panel:** Inspection Panel has the power to carry out independent investigations of World Bank-financed projects to determine whether the Bank follows its operational policies and procedures. The Panel reports its findings to the Bank's Board of Executive Directors, and the Bank Management is required to prepare a response with recommendations and actions to address the Panel's findings. The mandate and procedures of the Inspection Panel are available at the below link. <https://www.inspectionpanel.org/about-us/about-inspection-panel>
 - ii) **Grievance Redress Service (GRS):** Individuals and communities, or their representatives may make complaints to the World Bank's Grievance Redress Service (GRS) if they believe they are or may be directly and adversely affected by an active World Bank-supported project. The GRS ensures that grievances are promptly reviewed and responded to by the responsible units in the World Bank. The GRS notifies the complainant(s) of receipt of the complaint and within 30 business days of acceptance of a complaint, the GRS communicates a proposal to the complainant(s) with an action plan and timeframe for its implementation. <https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>
 - iii) **Integrity:** Integrity Vice Presidency (INT) is an independent unit within World Bank Group (WBG) to investigate and pursue sanctions related to allegations of fraud and corruption in WBG-financed operations. The INT supports WBG business units and external stakeholders to mitigate fraud and corruption risks and provides guidance on business processes and fiduciary controls to ensure the integrity of operations. <https://www.worldbank.org/en/about/unit/integrity-vice-presidency>
 - iv)

If the programme is not directly and currently administered by a public agency, can the programme demonstrate up-to-date professional liability insurance policy of at least USD\$5M? (<i>Paragraph 2.7.4</i>)	<input checked="" type="checkbox"/> YES
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Provide evidence of such coverage:

The World Bank is the Trustee of the ISFL, and has aggregate professional liability insurance coverage exceeding USD 100 million.

Question 3.8 Transparency and public participation provisions

Does the programme publicly disclose... (<i>Paragraph 2.8</i>)	
a) what information is captured and made available to different stakeholders?	<input checked="" type="checkbox"/> YES
b) its local stakeholder consultation requirements (if applicable)?	<input checked="" type="checkbox"/> YES
c) its public comments provisions and requirements, and how they are considered (if applicable)?	<input checked="" type="checkbox"/> YES

Provide evidence of the public availability of items a) through c):

ISFL stakeholder engagement covers a wide range of government and non-government stakeholders such as Civil Society Organizations (CSOs), Indigenous Peoples (IPs), marginalized populations, and the private sector at both the Initiative and Program levels for implementation and management of programs.

- a) The ISFL follows the World Bank Information Policy on information disclosure to enable access to information in a transparent manner. Information on ISFL Programs (including implementation, and reports) is publicly available on the World Bank and the ISFL websites. <https://www.biocarbonfund-isfl.org/programs>. All ISFL ER programs, following World Bank rules, are required to consult with relevant stakeholder groups on a regular basis and share information on the design and implementation of their program. Section 3.2 of the ER Program Document Template requires ER programs to present details on stakeholder information sharing and consultation mechanisms or structures in a form, manner, and language understandable to the affected stakeholders and a description of how stakeholder feedback was incorporated in the ER program design. During implementation, programs are expected to present plans for consultations, publications, and other information and mechanisms used for receiving and responding to feedback. The programs should also present information on stakeholder outreach and consultation process.
- b) ISFL programs follow World Bank rules and procedures, including [Environmental and Social Framework \(ESF\)](#). ESS10: Stakeholder Engagement and Information Disclosure, applies to all projects, including those financed by ISFL and supported by the Bank. It outlines requirements to engage with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in ESS1: Assessment and Management of Environmental and Social Risks and Impacts. The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders. ISFL stakeholder engagement at the local

level requires the program entity to engage with relevant stakeholders in the program jurisdiction continuously through the design, implementation, and distribution of program benefits. Stakeholders may include relevant government agencies, formal and informal stakeholder groups, private sector entities, IPs, communities dependent on landscapes, research and academic institutions, local experts, CSOs, and local entrepreneurs. Section 3.4.2 of the ISFL ER Program Requirements specify that Feedback and Grievance Redress Mechanism (FGRM) procedures should be made public at the local level in a language through communications materials, including brochures that explain the FGRM value chain, focal points, the process, and timelines understandable to relevant stakeholders. Stakeholder consultations in relation to programs' benefit-sharing arrangements must inform the development of Benefit Sharing Plans, including clarifying the Monetary and Non-Monetary Benefits to be shared among program beneficiaries. Programs are also encouraged to include stakeholders in decision-making, monitoring, and reporting procedures for benefit-sharing arrangements.

As an example, the stakeholder consultation process for the Oromia Forested Landscape Program (OFLP) which is being implemented in the Federal Democratic Republic of Ethiopia. The consultation and participation plan (CPP) of the OFLP enabled structured stakeholder consultations involving communities, government, and non-governmental organizations at multiple administrative levels during both program design and during implementation.

The stakeholder consultations of the OFLP sought to (i) consider views and interests of all stakeholders; (ii) enhance ownership of program strategies; (iii) increase accountability; (iv) reduce conflicts through regular stakeholder engagement; (v) raise profile and support to emission reduction initiatives in the entire AFOLU landscape; and (vi) share knowledge. To reach a large number of stakeholders across Oromia, the OFLP consultations were conducted at regional, zonal, woreda, kebele, and village levels. At the regional level, a regional Task Force (TF) chaired by the Oromia REDD+ program coordination unit included representatives from multiple sectors and CSOs. Similar task forces were constituted at zonal and woreda levels for organizing consultations.

The information from stakeholder consultations, including the Feedback and Grievance Redress Mechanism (FGRM) procedures were translated into Afan Oromo language to ensure dissemination in the local language.

The consultation process used different participatory methods, interactive media and printed materials, displays and exhibits, community events, and national/regional TV and radio programs. A total of 491,127 local community members (including men, women, and youth, indigenous communities) were consulted across the regional state of Oromia (447,280 males and 43,847 females). In parallel, a total of 840 stakeholders (810 males and 30 females) from government and non-government agencies at zonal and regional levels were consulted. Additional stakeholder consultations on the national REDD+ strategy were also conducted at regional and local levels involving 1,263 stakeholders (1,183 local community members and 80 government and non-government actors) and disaggregated by gender (1130 males and 133 females).

A detailed list of stakeholders engaged in different stages of the OFLP program design is available at <https://ethiopiareddplus.gov.et/redd-readiness/redd-safeguards/consultation-participation/summary-report-of-consultation-and-participation/>

- c) The ISFL requires programs to seek public comments through stakeholder consultations during design, implementation, review, and evaluation stages using FGRM. An FGRM can be developed on an ISFL ER Program-specific basis or use an existing mechanism that is assessed equivalent by the World Bank so that FGRM provides opportunities to stakeholders to share comments and feedback on a continuous basis during program implementation. Section 3.4 of ISFL ER Program Requirements mandate programs to identify suitable FGRM prior to implementation of ISFL ER Program activities.

The ISFL approach to social inclusion and stakeholder engagement is available at the below links:

<https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ESFFramework.pdf>

<https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/FINAL%20ISFL%20Stakeholder%20Engagement%20Approach.pdf>

The ISFL approach to private sector engagement is available at the below links:

<https://www.biocarbonfund-isfl.org/theme?title=Private%20Sector%20Engagement>

<https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Private%20Sector%20Engagement%20Approach.pdf>

The note on benefit-sharing for ER programs clarifies stakeholder engagement in benefit-sharing arrangements in ISFL programs and is available at the below link: https://biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Guidance%20note%20on%20Benefit%20Sharing_july%202019_Final.pdf

Does the programme conduct public comment periods relating to... (<i>Paragraph 2.8</i>)	
a) methodologies, protocols, or frameworks under development?	<input checked="" type="checkbox"/> YES
b) activities seeking registration or approval?	<input checked="" type="checkbox"/> YES
c) operational activities (e.g., ongoing stakeholder feedback)	<input checked="" type="checkbox"/> YES
d) additions or revisions to programme procedures or rulesets?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of any programme procedures referred to in a) through d):

The ISFL seeks public comments at various stages of program cycle.

- a) Paragraph 16, section 6 of ISFL Process Requirements requires eliciting public comments for new versions of the ISFL ER Program Requirements (equivalent to methodologies/protocols/frameworks referred above). Also, records of consultations with experts, workshops, and other knowledge events used to revise/approve ISFL requirements and methodologies can be found in the knowledge center of the ISFL website under workshops and presentations:
https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf
<https://www.biocarbonfund-isfl.org/knowledge-center>
- b) Public comments on programs seeking ISFL approval/registration are elicited as part of stakeholder consultations carried out as part of program design prior to submission of programs for ISFL approval.
- c) Public comments on operational activities are elicited through ongoing stakeholder consultations and feedback following the procedures of FGRM operational as clarified in response to item c) of Question 3.8 (Transparency and public participation provisions) above.
- d) Comments and feedback from stakeholder consultations and program implementation are utilized to

revise or update the ISFL Process Requirements and other supporting documentation. All ISFL documents and new versions shall be prepared by the FMT and presented to ISFL Contributors for approval prior to making them publicly available on the ISFL Webpage. New versions of the ISFL ER Program Requirements shall be subject to a 30-day public comment period through the ISFL webpage. Also, records of consultations with experts, workshops, and other knowledge events used to revise/approve ISFL requirements and methodologies can be found in the knowledge center of the ISFL website under workshops and presentations

Question 3.9 Safeguards system

Are safeguards in place to address... (<i>Paragraph 2.9</i>)	
a) environmental risks?	<input checked="" type="checkbox"/> YES
b) social risks?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the safeguards referred to in a) and b), including their availability to the public: ISFL ER programs are expected to comply with the World Bank’s Environmental and Social Framework (ESF) that ensures broad and systematic coverage of environmental and social risks associated with the ER programs. The ESF offers broad and systematic coverage of environmental and social risks. It emphasizes transparency, non-discrimination, public participation, accountability, and expanded roles for Feedback, Grievance, and Redress Mechanisms (FGRM). The ESF utilizes 10 environmental and social standards (ESS) to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of programs.

In support of environmental and social risk mitigation, ISFL programs are expected to have in place an FGRM and free, prior, and informed consent (FPIC) to ensure that grievances associated with the ESF are addressed in a formal, transparent, cost-effective, and time-bound manner.

ISFL ER programs are also expected to prepare formal documentation Strategic Environmental and Social Assessments (SESA), Environmental and Social Assessments (ESMF), and other relevant documentation to assess and manage environmental and social risks of ER program interventions in an inclusive and participatory manner through active engagement of relevant stakeholders.

The information on World Bank Environmental and Social Framework is available at the below link

<https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>

World Bank Environmental and Social Framework (ESF) documentation is available at the below link.

<https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf>

Additional resources on the application of World Bank Environmental and Social Framework are available at the below link:

<https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-framework-resources>

Question 3.10 Sustainable development criteria

Does the programme use sustainable development criteria? (<i>Paragraph 2.10</i>)	<input checked="" type="checkbox"/> YES
Does the programme have provisions for monitoring, reporting and verification in accordance with these criteria? (<i>Paragraph 2.10</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to above:

- a) The World Bank Group Strategy sets out goals of ending extreme poverty and promoting shared prosperity in all its partner countries. Securing the long-term future of the planet, its people, and its resources, ensuring social inclusion, and limiting the economic burdens on future generations will underpin these efforts. The twin goals of ending extreme poverty and promoting shared prosperity emphasize the importance of economic growth, inclusion, and sustainability, including strong concerns for equity. The World Bank Vision for Sustainable Development is presented on pages 1-2 of the World Bank Environmental and Social Framework and is available at the below link:
<https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf#page=15&zoom=80>

Assessing and reporting on sustainable development criteria is a key priority for ISFL programs. ER Programs are expected to monitor and report on multiple sustainable development criteria. Section 3.3 of the ISFL ER Program Requirements mandate ER programs to monitor and report on non-carbon benefits covering broader social and environmental benefits beyond ERs. These relate to the contribution of the ER program to sustainable development and include criteria and indicators related to program contributions to improving local livelihoods, building transparent and effective forest governance structures, making progress on securing land tenure, and enhancing or maintaining biodiversity and other ecosystem services. In addition, section 3.6 of the ISFL ER Program Document Template requires programs to present the types and scale of benefits associated with the ER program and how the benefits will be shared among various beneficiaries to ensure program contribution to sustainable development.

The ISFL Monitoring, Evaluation, and Learning Framework (MELF) is the available tool to monitor and report on the contribution of ER programs to sustainable development using indicators to be monitored and reported by programs under non-carbon benefits. The two building blocks upon which the ISFL MEL Framework rests are the Theory of Change and log-frame, which together provide a strategic overview of the ISFL and support decision-making by illustrating the main results to be achieved by the ISFL at various levels, and their associated performance indicators.

The theory of change highlights the ISFL's alignment with sustainable development goals and the log-frame includes specific indicators to measure the ISFL's contribution to sustainable development. The ISFL MEL Framework covers Initiative-level and program-level monitoring and evaluation that allow for reporting on performance, including adaptive management and learning. The ISFL MEL Framework on monitoring and reporting criteria provides program-level information and progress on improved livelihoods, increased agricultural productivity, and sustainable land use covered under multiple UN Sustainable Development Goals (1- Poverty; 2- End hunger through Sustainable Agriculture; 13 - Climate

Action, and 15 – Life on Land) applicable to ER programs. ISFL Monitoring, Evaluation and Learning (MEL) Framework is available at the below link: <https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-08/ISFL%20MEL%20Framework%20July%202021.pdf>

Moreover, the World Bank Environmental and Social Framework (ESF) represents a comprehensive approach to assess environmental and social risks, promote sustainability and enhance stakeholder engagement to strengthen program sustainability. The ESF focuses on the overall environmental and social sustainability of the programs using 10 Environmental and Social Standards (ESS):

- (i) ESS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- (ii) ESS 2: Labor and Working Conditions;
- (iii) ESS 3: Resource Efficiency and Pollution Prevention and Management;
- (iv) ESS 4: Community Health and Safety;
- (v) ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;
- (vi) ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- (vii) ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;
- (viii) ESS 8: Cultural Heritage;
- (ix) ESS 9: Financial Intermediaries; and
- (x) ESS 10: Stakeholder Engagement and Information Disclosure

The ESF process is an ongoing process of assessing and promoting actions in support of the ESS throughout the program implementation period for the Investment Project Financing funded by the World Bank rather than scoring on development criteria. The assessment and implementation of ESF framework is coordinated by the environmental and social specialists of the World Bank that demonstrated expertise and experience on environmental and social sustainability issues.

The ISFL uses MELF to monitor and publicly report sustainable development outcomes using specific indicators; and the World Bank ESF for an ongoing assessment and implementation of actions to ensure compliance with ESS and to strengthen environmental and social sustainability. <https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ESFFramework.pdf> . The information on the log frame indicators monitored at the program level are publicly disclosed through the ER Monitoring Reports and in the local languages of program jurisdictions, and through the national government, the World Bank, and the ISFL websites (including through ISFL portfolio reports based on the logframe).

- b) The outcomes of ISFL MEL Framework log frame with specific SDG output indicators are monitored during ER program implementation and reported in the ER Monitoring Report of the ISFL programs. In addition, the ISFL has capabilities to conduct evaluation and learning on the progress of sustainable development outcomes of specific ER programs and for the portfolio of ISFL programs.

The World Bank engages experienced social and environmental specialists to assess and monitor the compliance of programs with the ESS. The assessment of non-carbon benefits is evaluated by the World Bank through the regular implementation support missions and reported in publicly available Implementation Support Reports (ISR).

Moreover, ISFL may engage [Third Party Monitoring](#) (TPM) for environmental and social risk management and for monitoring of the implementation of the Emission Reductions Program and Benefit Sharing Plan. TPM can monitor environmental and social risks management in generating carbon and non-carbon benefits, as well as the implementation of the BSPs.

Question 3.11 Avoidance of double counting, issuance and claiming

Does the programme use sustainable development criteria? (<i>Paragraph 2.10</i>)	<input checked="" type="checkbox"/> YES
Does the Programme provide information on how it addresses double counting, issuance and claiming in the context of evolving national and international regimes for carbon markets and emissions trading? (<i>Paragraph 2.11</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the information referred to above, including its availability to the public:

- a) See previous response
- b) Per section 3.7 of the ISFL ER Program Requirements, programs are expected to coordinate with host countries to select appropriate arrangements to avoid double counting, including double issuance, double selling/use, or double claiming, in order to track the ERs to ensure that any ERs that have been generated, monitored and verified under the ISFL ER Program and paid for by the ISFL are not used again by any entity for sale, public relations, compliance or any other purpose unless otherwise agreed by the parties to the ERPA and, where relevant, consistent with any applicable guidance adopted under the Paris Agreement. The ER Transaction Registry has capabilities to register, track, and as appropriate retire or cancel ER units generated under ISFL ER Programs.

The link to the ISFL ER Program Requirements is below:

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

The World Bank Carbon Asset Tracking System, CATS provides a strong and reliable architecture to create, govern, store, and maintain data; guarantees operational transparency and security; and mitigates double-counting risks for the ER units generated under the World Bank.

Specific provisions can be found in CATS operational guidelines section 2.3.2. Recording and Issuance:

2.3.2.1. Global Carbon Ticker Code (GCTC). ER Units Serialization

https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf.

Specific provisions can be found in CATS Terms & Conditions:

- Section 7.02, paragraph (d) - Transfers of ERs that result in Double-Counting, Double-Selling, or Double-Claiming are prohibited;
- Section 8.02, paragraph (b) - Cancellation of ERs for erroneous or fraudulent use, including but not limited to the ERs or Buffer ERs subject to Double-Counting, Double-Selling or Double-Claiming;
- Section 11.02, paragraph (n) – User represents and warrants is not aware of nor has engaged in Double-Counting, Double-Selling or Double-Claiming of the ERs and Buffer ERs, and (o) has not registered and will not register any ERs simultaneously both in CATS and in any other system.
- Section 14.01 – (a) Users shall not engage in Double-Counting, Double-Selling or Double-Claiming of ERs or Buffer ERs, (b) shall immediately notify the Registry Operator in writing in case becomes aware of those, and (c) the Registry Operator may immediately suspend the associated Registry Accounts (Section 15.01).

- Section 15.01 – (a) The Registry Operator may temporarily suspend the User's Registry Account and its access to the Registry if reasonably believes that (v) any ERs or Buffer ERs have been or are suspected to be subject to Double-Counting, Double-Selling or Double-Claiming.

https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf

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PART 4: Carbon Offset Credit Integrity Assessment Criteria

Note—where “evidence” is requested throughout *Part 3* and *Part 4*, the Programme should provide web links to documentation. If that is not possible, then the programme may provide evidence of programme procedures directly in the text boxes provided (by copying/pasting the relevant provisions) and/or by attached supporting documentation, as recommended in “SECTION II: INSTRUCTIONS—*Form Completion*”.

Note—“*Paragraph X.X*” in this form refers to corresponding paragraph(s) in Appendix A “Supplementary Information for Assessment of Emissions Unit Programmes”.

Note—Where the programme has any plans to revise the programme (e.g., its policies, procedures, measures, tracking systems, governance or legal arrangements), including to enhance consistency with a given criterion or guideline, provide the following information in response to any and all relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

Question 4.1 Are additional

Do the Programme’s carbon offsets... (<i>Paragraph 3.1</i>)	
a) represent greenhouse gas emissions reductions or carbon sequestration or removals that exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate?	<input checked="" type="checkbox"/> YES
b) exceed any greenhouse gas reductions or removals that would otherwise occur in a conservative, business-as-usual scenario?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including their availability to the public:

- a) **Additionality of ISFL ER programs is reflected through the application of a conservative baseline represented as an average annual historical GHG emissions and removals of activities in the program jurisdictions over a baseline period of 10 years. The end date of the baseline period is a date in the two calendar years prior to two calendar years before the ISFL Fund Management Team shares the complete advanced draft ERPD. Hence, the baseline period is close to the time of the presentation of the ERPD to validation, and emissions during that period will represent GHG emissions including activities under current law, regulation, and legally binding mandate.**
- b) **The ISFL Validation and Verification Requirements, section 5.1 specifies that estimations should be neither over- nor under-estimated and uncertainties should be reduced as far as practical. If this cannot be assured, ISFL Programs shall use conservative assumptions, values, and procedures to ensure that reported Emission Reductions are not overestimated. Ensuring accuracy and conservativeness of ERs is also part of the general principles applicable to VVB as stated in section 6 of the Validation and Verification**

Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf . Also, the ISFL Program Requirements (page 4) state that ISFL ER Programs are expected to demonstrate conformity with the Program Requirements and apply general principles of environmental integrity and conservativeness in order to be able to receive result-based finance from the ISFL. https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf Hence, additionality is demonstrated in terms of the excess GHG reductions or removals relative to a conservative emissions baseline. Section 4 of the ISFL ER Program Requirements (GHG reporting and accounting) covers provisions related to baseline emissions, monitoring of program emissions, and removals and determination of ERs for programs.

Is additionality and baseline-setting... (<i>Paragraph 3.1</i>)	
a) assessed by an accredited and independent third-party verification entity?	<input checked="" type="checkbox"/> YES
b) reviewed by the programme?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including their availability to the public:

- a) Section 6 of the ISFL ER Program Requirements specify that ER programs shall be validated and verified using independent accredited third-party auditors. https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf
The ISFL Validation and Verification Requirements (VVR) provides a detailed set of requirements to be followed by third-party accredited auditors to ensure that ISFL Validation and Verification criteria are fulfilled; The assessment of the emissions baseline is part of the Validation objectives (section 8.2), criteria (section 8.3) and scope (8.4) of the Validation and Verification Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf
- b) As per the ISFL Process Requirements once Validation is completed, the Facility Management Team of the FMT performs a completeness check on the GHG related sections (including baseline setting, which is directly linked to additionality) of the ERPD and the Validation Report to ensure that they are compliant with the ISFL Requirements. Moreover, the GHG elements of the ERPDs are reviewed by the ISFL governance to ensure that these are compliant with ISFL requirements. The process for baseline review by the programme is described in the ISFL Program Requirements section 7.3. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Identify one or more of the methods below that the programme has procedures in place to ensure, and to support activities to analyze and demonstrate, that credited mitigation is additional; which can be applied at the project-and/or programme-level: (*Paragraphs 3.1, and 3.1.2 - 3.1.3*)

- Barrier analysis
- Common practice / market penetration analysis
- Investment, cost, or other financial analysis

- Performance standards / benchmarks
- Legal or regulatory additionality analysis (as defined in *Paragraph 3.1*)

Summarize and provide evidence of the policies and procedures referred to in the above list, including describing any/all additionality analyses and test types that are utilized under the programme:

The ISFL ER Program Requirements align with the UNFCCC Warsaw Framework for REDD+ and IPCC Guidelines and Guidance on Agriculture, Forest and Other Land Use (AFOLU) for the establishment of a baseline of emissions and removals in a jurisdiction. In accordance with these decisions, the baseline of a jurisdiction is expressed in tonnes of CO2 equivalent per year over a baseline period. Additionality in ISFL Programs relies on defining a conservative baseline that sets a benchmark that represents a business-as-usual scenario so that any emissions below that benchmark that result from the mitigation actions are to be considered as additional. Thus, the use of conservative baselines ensures that ERs are additional, real and that they have an actual impact on the atmosphere.

If the Programme provides for the use of method(s) not listed above, describe the alternative procedures and how they ensure that activities are additional: (*Paragraph 3.1*)

Not applicable

If the programme designates certain activities as automatically additional (e.g., through a “positive list” of eligible project types), does the programme provide clear evidence on how the activity was determined to be additional? (<i>Paragraph 3.1</i>)	<input type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures for determining the automatic additionality of activities, including a) the criteria used to determine additionality and b) their availability to the public:

Not applicable

Explain how the procedures described under Question 4.1 provide a reasonable assurance that the mitigation would not have occurred in the absence of the offset programme: (*Paragraph 3.1*)

Section 2 of the ISFL ER Program Requirements requires that ER Programs are ambitious, implemented at a jurisdictional scale, and demonstrate the landscape approach to climate change mitigation; and provides assurance that mitigation would not have occurred in the absence of ER programs interventions.

Question 4.2 Are based on a realistic and credible baseline

Are procedures in place to... (<i>Paragraph 3.2</i>)	
a) issue emissions units against realistic, defensible, and conservative baseline estimations of emissions?	<input checked="" type="checkbox"/> YES
b) publicly disclose baselines and underlying assumptions?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including how “conservativeness” of baselines and underlying assumptions is defined and ensured:

- a) Section 4 of the ISFL ER Program Requirements on GHG reporting and accounting requires that the emissions baseline of a jurisdiction is represented as an average annual historical GHG emissions and

removals of activities over a baseline period of 10 years, which results in an emissions baseline that is most conservative as it reflects the historical emissions average of the baseline period without consideration of any increasing trends in baseline emissions near to the program start date. Also, considering that the ISFL focuses on accounting and reporting of emissions for all AFOLU land use categories, including direct emissions from livestock, the baseline period of 10 years serves as a uniform basis for estimation of average rates of change in multiple AFOLU activities.

The ER Program Document Template Section 4 on GHG Accounting and Reporting; and Section 4.4 on Emissions Baseline for ISFL accounting require programs to disclose data, methods, and procedures used for estimation of emissions baseline. The ISFL ER Program Document Template is available at the below link: https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20PD%20Template_January%202020.pdf

- b) The final ER Program Document of each ISFL Program, together with the Validation Report are made public on the ISFL Website as per para 58 of the ISFL Process Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Are procedures in place to ensure that <i>methods of developing baselines</i> , including modelling, benchmarking or the use of historical data, use assumptions, methodologies, and values do not over-estimate mitigation from an activity? (<i>Paragraph 3.2.2</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

ISFL ER Programs are expected to demonstrate conformity with the ISFL Program Requirements and apply general principles of environmental integrity and conservativeness in order to be able to receive result-based finance from the ISFL. ISFL ER Program Requirements specify the requirements for conservative baseline setting, including data quality, methods, baseline period, and spatial information for eligible categories and sub-categories of emissions and removals (Sections 4.2, 4.3, and 4.4). Also, the assessment of baseline estimations to confirm that they are not over-estimated is part of the principles and objectives applicable to validation and verification of ISFL Programs (section 5.1). Therefore, not only ER Programs but also VVBs are expected to carefully review baseline estimations to ensure that values do not over-estimate mitigation from an activity.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf
https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf

Are procedures in place for activities to respond, as appropriate, to changing baseline conditions that were not expected at the time of registration? (<i>Paragraph 3.2.3</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

The baseline approach of average annual historical GHG emissions and removals of activities over a baseline period of 10 years results in the most conservative emissions baseline as the scenarios of changing baseline conditions are not anticipated.

Question 4.3 Are quantified, monitored, reported, and verified

Are procedures in place to ensure that...	
a) emissions units are based on accurate measurements and valid quantification methods/protocols? (<i>Paragraph 3.3</i>)	<input checked="" type="checkbox"/> YES
b) validation occurs prior to or in tandem with verification? (<i>Paragraph 3.3.2</i>)	<input checked="" type="checkbox"/> YES
c) the results of validation and verification are made publicly available? (<i>Paragraph 3.3.2</i>)	<input checked="" type="checkbox"/> YES
d) monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at <i>specified intervals</i> throughout the duration of the crediting period? (<i>Paragraph 3.3</i>)	<input checked="" type="checkbox"/> YES
e) mitigation is measured and verified by an accredited and independent third-party verification entity? (<i>Paragraph 3.3</i>)	<input checked="" type="checkbox"/> YES
f) <i>ex-post</i> verification of mitigation is required in advance of issuance of emissions units? (<i>Paragraph 3.3</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through f):

- a) Emission units are based on the methods and protocols described in the ISFL Program Requirements. ISFL ER Programs shall, for the purpose of ISFL Reporting, compile a GHG inventory of all AFOLU categories, subcategories, gases, and pools in the Program Area (Program GHG Inventory) utilizing existing data that have been collected using the best available methods and approaches that are consistent with the most recent IPCC guidance and guidelines. In accordance with the IPCC guidance and guidelines, the Program GHG Inventory shall apply the basic principles of Transparency, Accuracy, Completeness, Consistency over time, and Comparability as defined by the IPCC (see section 4.1.2 of the ISFL Program Requirements) https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf
Also, ISFL ER Programs shall account for the Total Net Emission Reductions across eligible subcategories by estimating the baseline and monitoring Emissions and Removals for the eligible subcategories using at minimum IPCC Tier 2 methods and data (section 4.2.3), and approach 3 for accounting emission reductions from land use change-related subcategories. Moreover, ISFL ER Programs are encouraged to improve data and methods and to move to a higher tier over time, as possible uncertainties should be reduced as far as practical.
- b) Verification occurs after Validation within each ISFL ERPA Phase and it is based on the ER Monitoring Report that provides a description of the results of the program's implementation and reports on performance, in particular, Emission Reductions generated. (Paragraph 63 of the Process Requirements). https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf
- c) The results of validation and verification are made publicly available on the ISFL website under Programs, Core Program Documents. As an example, you can check the Validation Report of Ethiopia's ER Program. https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-09/ISFL_OFDP_RPT_AssessmentReport_V1-4_7_22_21.pdf
- d) The number of Verifications will depend on the number of Reporting Periods defined by each ISFL ER Program. ISFL ER Programs shall monitor and report the results of the compilation of a GHG inventory every second year during the ISFL ERPA Phase (meaning at least two Reporting Periods per ISFL ERPA Phase), but the periodicity of Verification will be defined by each ISFL ER Program being expected a total of 2-3 Verification events. See paragraph 10 of the Validation and Verification Requirements.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf

- e) Mitigation activities are verified by an accredited third-party verification entity. See paragraph 35 of the Validation and Verification Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Validation%20and%20Verification%20Requirements_2021_Ver1.1.pdf
- f) The ISFL does not issue ex-ante ERs. Ex-post verification is always required for the issuance of ISFL ERs. The verification report along with the monitoring report shall be submitted to CATS before the issuance of the ER units. https://www.biocarbonfund-isfl.org/sites/isfl/files/2022-02/ISFL%20Process%20Requirements_2021.pdf

Are provisions in place... (<i>Paragraph 3.3.3</i>)	
a) to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the programme and the activities it supports?	<input checked="" type="checkbox"/> YES
b) requiring accredited third-party(ies) to disclose whether they or any of their family members are dealing in, promoting, or otherwise have a fiduciary relationship with anyone promoting or dealing in, the offset credits being evaluated?	<input checked="" type="checkbox"/> YES
c) to address and isolate such conflicts, should they arise?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c):

- a) Section 7.2 of ISFL Validation and Verification Requirements (VVR) includes provisions to prevent/manage conflicts of interest of Validation and Verification Bodies conducting validation and verification processes. Also, The VVBs are required to be accredited under ISO 14065 for scope ISO 14064-2 by an Accreditation Body that is a signatory of the IAF Multilateral Recognition Arrangement (MLA) for ISO 14065. The ISO 14065:2013 in sections 5.4.1 and 5.4.2 clearly states that to avoid conflicts of interest the VVB:
- shall have commitment by top management to act impartially in validation or verification activities
 - shall make publicly available a statement that describes its understanding of the importance of impartiality in validation or verification activities, how it manages conflict of interest, and how it ensures the objectivity of validation or verification activities;
 - shall have formal rules and/or contractual conditions to ensure that each team member acts in an impartial manner,
 - shall document how it manages potential conflict of interest situations and risks to impartiality from within the validation or verification body;
 - shall not use personnel with an actual or potential conflict of interest;
 - shall not validate and verify GHG assertions from the same GHG project unless allowed by the applicable GHG programme,
 - shall not validate or verify a GHG assertion where its GHG consultancy services provided support to the responsible party's GHG assertion,
 - shall not validate or verify a GHG assertion where a relationship with those who provided GHG

consultancy services to the responsible party that support the GHG assertion poses an unacceptable risk to impartiality,

- shall not validate or verify a GHG assertion using personnel who were engaged by those who provided GHG consultancy services to the responsible party in support of the GHG assertion,
- shall not outsource the review and issuance of the validation or verification statement,
- shall not offer products or services that pose an unacceptable risk to impartiality,
- shall not state or imply that validation or verification of a GHG assertion would be simpler, easier, faster, or less expensive if a specified GHG consultancy service were used

b) and c) Section 7.2 of VVR include provisions that accredited VVBs contracted to conduct validation/verification of ER programs shall disclose their and their family member conflicts of interests pertaining to relationships with entity(ies) associated with ER transactions; and shall have in place a mechanism to identify and address conflicts that may arise during validation and verification of programs.

Are procedures in place requiring that... (<i>Paragraph 3.3.4</i>)	
a) the renewal of any activity at the end of its crediting period includes a reevaluation of its baselines, and procedures and assumptions for quantifying, monitoring, and verifying mitigation, including the baseline scenario?	<input checked="" type="checkbox"/> YES
b) the same procedures apply to activities that wish to undergo verification but have not done so within the programme’s allowable number of years between verification events?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b), including identifying the allowable number of years between verification events:

- a) ISFL ER Programs shall revise their Emission Baselines upon the conclusion of the ISFL ERPA Phase as required by the ISFL Program Requirements. This new Emission Baseline shall be used to estimate Emission Reductions during the subsequent ISFL ERPA Phase upon third-party validation and approval as described in the ISFL Process Requirements. Check para 12, Section 6 of Validation and Verification Requirements.
- b) Verification for ISFL Programs is expected to occur at least once during a 5-year crediting period. If no verifications have occurred during this time period, then further verifications are not allowed.

Are procedures in place to transparently identify units that are issued <i>ex ante</i> and thus ineligible for use in the CORSIA? (<i>Paragraph 3.3.5</i>)	<input type="checkbox"/> YES
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Provide evidence of the policies and procedures referred to above:

Not Applicable. ISFL only issues ex-post certified ERs upon successful completion of verification events.

Question 4.4 Have a clear and transparent chain of custody

SECTION III, Part 3.4—*Identification and tracking* includes questions related to this criterion. No additional information is requested here.

Question 4.5 Represent permanent emissions reductions

List all emissions sectors (if possible, activity types) supported by the Programme that present a potential risk of reversal of emissions reductions, avoidance, or carbon sequestration:

Carbon sequestration activities in forestry, agriculture, livestock, and other eligible land use categories and sub-categories referred to in section 4.3 and Annex 1 of the ISFL ER Program Requirements are subject to a potential risk of reversal.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

What is the minimum scale of reversal for which the Programme provisions or measures require a response? (Quantify if possible)

Section 6 of the ISFL Buffer Requirements specify that ER programs must report on the occurrence of any reversal. In case of occurrence of a reversal event, the reversals are expected to be compensated by the reversal management mechanism which consists of a buffer of ISFL units that are set aside upon each verification to compensate potential reversals. The amount of buffer units is estimated and reported in each Monitoring Report as a percentage of Total Net Emission Reductions for that Reporting Period minus the quantity of ERs allocated to the Uncertainty Buffer for that Reporting Period. This assessment is verified by the VVB during each verification. Specific provisions for the assessment of risks of reversal and buffer allocation can be found in Part II of the Buffer Requirements.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Buffer%20Requirements_2020_Final.pdf

For sectors/activity types identified in the first question in this section, are procedures and measures in place to require and support these activities to...	
a) undertake a risk assessment that accounts for, <i>inter alia</i> , any potential causes, relative scale, and relative likelihood of reversals? (<i>Paragraph 3.5.2</i>)	<input checked="" type="checkbox"/> YES
b) monitor identified risks of reversals? (<i>Paragraph 3.5.3</i>)	<input checked="" type="checkbox"/> YES
c) mitigate identified risks of reversals? (<i>Paragraph 3.5.3</i>)	<input checked="" type="checkbox"/> YES
d) ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA? (<i>Paragraph 3.5.4</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through d):

Section 4.7 of the ISFL ER Program Requirements specify provisions for accounting for reversals. Section 6, 7, and 10 of the ISFL Buffer Requirements cover the establishment of buffer accounts, reversal risk assessment, monitoring and adjustment of buffer accounts in the events of reversal, and compensation of material reversals using Reversal Management Mechanism to meet the offsetting obligations under CORSIA.

- a) Section 7 of the ISFL Buffer Requirements specify a reversal risk assessment using a reversal risk assessment tool to assess reversal risk set aside percentage of a program using the Risk Factors listed in Table 2, Section 7 of the ISFL Buffer Requirements. The reversal risk set aside percent in the form of a buffer could range between 10 percent and 40 percent of verified ERs depending on the level of reversal risk. https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Buffer%20Requirements_2020_Final.pdf

- b) ER programs are required to monitor the risk factors listed in Table 2, Section 7 of the ISFL Buffer Requirements, to conduct a new risk assessment and report it in the Monitoring Report prior to Verification. Section 4.7.3 of the Program Requirements also clarifies that ISFL ER Programs shall monitor and report major Emissions that may lead to Reversals of emission reductions during any ISFL ERPA Phase.
- c) Table 2 of the ISFL Buffer Requirements states that all ISFL Programs are subject to a default 40% discount due to possible risks of reversals. ER Programs need to demonstrate the implementation of mitigation actions in order to reduce that discount. However, in any case, the total reversal set aside percentage cannot be lower than 10%. This means that the level of reversal risks estimated by each Program is residual after the mitigation has been implemented, validated, monitored, and verified by the VVB. https://www.biocarbonfund-isfl.org/sites/isfl/files/2020-04/ISFL%20Buffer%20Requirements_2020_Final.pdf
- d) Section 8 and 9 of the ISFL Buffer Requirements specify procedures for reversal management during the term of the ISFL ERPA. For CORSIA The ISFL proposes to:
 - i) delete footnote 5 in section 10 of the Buffer Guidelines
 - ii) Insert section 11 in the Buffer Guidelines as follows:

11. CORSIA Eligibility

If an ER Program wishes to supply “CORSIA Eligible Emissions Units” (as defined under CORSIA), the ER Program shall have in place a robust Reversal Management Mechanism that addresses the risk of Reversals beyond the Term of the ISFL and is equivalent to the ER ISFL Buffer. A Reversal Management Mechanism is considered to be equivalent to the ER Program ISFL Buffer if:

- a) It is a buffer;
- b) It covers potential reversals of the units generated under the ER Program during the Crediting Period;
- c) It allows the transfer of the Buffer ERs from the ER Program ISFL Buffer;
- d) The reversal risk set-aside percentage calculated under the Reversal Management Mechanism is equal to or higher than the actual reversal risk set-aside percentage of the ER Program ISFL Buffer ;
- e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2045 to confirm if there have been Reversals and makes monitoring and verification reports publicly available; and
- f) The Reversal Management Mechanism is operational and able to address identified Reversals.

The Reversal Management Mechanism shall be continually managed and operated by the ER Program Entity and allows the World Bank, in its capacity as trustee of funds made available from the ISFL for this purpose, to (i) carry out a desk review of the publicly available monitoring and verification reports of the ER Program for Reversals and (ii) inform CORSIA of any Reversals and related compensation (through replacement of the CORSIA Eligible Emissions Units) under the ER Program’s Reversal Management Mechanism, from the end of the Crediting Period through 31 December 2045.

iii) revise clause 10.1(e) of the Buffer Guidelines to read as follows, in order to achieve consistency:

- e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2045 to confirm if there have been Reversals and makes monitoring and verification reports publicly available.

Are provisions in place that... (<i>Paragraph 3.5.5</i>)	
a) confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the programme procedures?	<input checked="" type="checkbox"/> YES
b) require activity proponents, upon being made aware of a material reversal event, to notify the programme within a specified number of days?	<input checked="" type="checkbox"/> YES
c) confer responsibility to the programme to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the programme procedures?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c), including indicating the *number of days within which activity proponents must notify the programme of a material reversal event*:

a) and c) Section 4.7 of the ISFL ER Program Requirements; and Sections 6, 7, 8, and 10 of the ISFL Buffer Requirements present procedures for liability, monitoring, mitigation, and compensation for material reversals.

b) Section 8.1 of the ISFL Buffer Requirements specify that programs shall inform a Reversal Event and identify the occurrence of a Reversal Event in its Reporting Period, within 90 calendar days after becoming aware of any Emissions in the Program Area or changes in ER Program circumstances that, in the reasonable opinion of the ER Program, may lead to Reversals of previously transferred ERs by the next Monitoring event.

Does the programme have the capability to ensure that any emissions units which compensate for the material reversal of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA are fully eligible for use under the CORSIA? (<i>Paragraph 3.5.6</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

ER units in the reversal buffer are part of the ER program’s verified ERs. Per Section 4.7 of the ISFL ER Program Requirements; and Sections 6, 7, 8 and 10 of the ISFL Buffer Requirements, reversal risk management policies and procedures of the ISFL can compensate material reversals during and beyond the ISFL term.

The ER Transaction Registry has the capabilities to designate the ICAO eligible units in all account types. The identification of the ICAO-eligible units (as the compliance of BioCF ISFL ER units with other standards), will be explicitly added as a label to the unique serial number (GCTC). The last 3 elements of the serial number characterize ICAO eligible units (status-active, class-certified, type-tradable) and the compliance with the standard will be explicitly labeled to the GCTC.

Would the programme be willing and able, upon request, to demonstrate that its permanence provisions can fully compensate for the reversal of mitigation issued as emissions units and used under the CORSIA? (<i>Paragraph 3.5.7</i>)	<input checked="" type="checkbox"/> YES
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Question 4.6 Assess and mitigate against potential increase in emissions elsewhere

List all emissions sectors (if possible, activity types) supported by the programme that present a potential risk of material emissions leakage:

Agriculture, Forestry and Other Land Use (AFOLU) activities supported through ISFL ER programs can have a potential risk of leakage.

Are measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project or programme? (<i>Paragraph 3.6</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

Section 3.2.5 of the ISFL ER Program Requirements state that ISFL ER Programs shall identify GHG sources and sinks that may be impacted by the proposed ISFL ER Program and assess their associated risk for Displacement/leakage. The ISFL ER Program shall have in place and implement, by the time of Verification, an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk. Based on the ISFL reporting requirements as described in Section 4.1, ISFL ER Programs shall report on changes in major sources and sinks and any Displacement risks associated with those sources and sinks for each ISFL ERPA Phase. https://www.biocarbonfund-isfl.org/sites/isfl/files/2021-04/ISFL%20ER%20Program%20Requirements_V2.0_2021.pdf

Are provisions in place requiring activities that pose a risk of leakage when implemented at the project level to be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage? (<i>Paragraph 3.6.2</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

The ISFL ER Program Requirements requires programs to be designed and implemented at jurisdictional (sub-national/provincial/regional) scales, which are one level below the national scale. For instance, the area covered by the ISFL Programs of Colombia, Ethiopia, and Mexico is 26, 29, and 58 million hectares respectively. This gives an overview of the magnitude and scale of the ISFL Programs. These and all ISFL Programs are required to design and implement interventions to minimize potential leakage.

Section 3.2.5 of ISFL ER Program Requirements specifies that ER Programs shall identify GHG sources and sinks that may be impacted by the proposed ISFL ER Program and assess their associated risk for Displacement. The ISFL ER Program shall have in place and implement, by the time of Verification, an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk. Based on the ISFL reporting requirements as described in Section 4.1, ISFL ER Programs shall report on changes in major sources and sinks and any Displacement risks associated with those sources and sinks for each ISFL ERPA Phase.

The Validation and Verification Bodies (VVBs) are required to assess the effectiveness of program design and strategy to address the risk of displacement and present their assessment in the Validation and Verification

Reports. The ER programs are expected to address the issues highlighted in the VVB assessment and to report information on the measures implemented to minimize the displacement risks associated with sources and sinks of ER programs.

VVBs can assess whether displacement/leakage risk by reviewing the data on the implementation of program interventions, spatial and secondary data supporting the interventions proposed in the ERPD. If displacement/leakage events or risk of displacement/leakage is identified by the VVB, then programs are required to propose mitigation measures prior to the issuance of a validation/verification report. The implementation of mitigation measures proposed to address displacement/leakage risk is assessed in the subsequent reporting periods.

The provisions of VVB assessment of the risk of displacement are specified in Section 8.2, paragraph 34, Table 1 on the objectives of validation; and paragraph 35(b) on objectives of verification; in Section 8.3, Table 2 on the criteria and indicators for validation and verification.

Are procedures in place requiring and supporting activities to monitor identified leakage? <i>(Paragraph 3.6.3)</i>	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

Leakage is commonly associated with small projects (small fractions of jurisdictional programs) due to the potential risk of shifts in their activities to areas outside project boundaries. However, due to the scale of implementation, under ISFL programs it is expected that leakage outside the implementation area will be more difficult.

Moreover, large program jurisdictions significantly mitigate leakage risk as a range of program interventions that seek to maintain pre-program levels of production or economic activity within program jurisdiction avoid or minimize leakage risk. Therefore, jurisdictional programs, by supporting policies and interventions at a landscape scale, prevent, avoid and mitigate leakage risk. Effectively ISFL programs mitigate the risk of leakage due to the large areas they cover, and their ability to monitor ERs at the level of the entire jurisdiction.

Additionally, significant challenges exist for monitoring and attribution of displacement of leakage emissions of activities from large jurisdictional (sub-national/province/region) programs that span several million ha and cover a wide range of drivers, economic activities, land use categories, and ecoregions. Hence, leakage from jurisdictional programs is not feasible to monitor in practice. To ensure that leakage from ER program jurisdictions is not a risk, the ISFL ER Program Requirements specify that leakage mitigation measures should be mandatorily considered in the program design (Section 3.2.5); and are subject to assessment as part of verification to ensure the program design and intervention measures minimize the risk of leakage.

The World Bank’s Environmental and Social Framework (ESF) and safeguards requirements go beyond Cancun safeguards and ensure that measures to address leakage risk are in place as part of program design, monitoring and implementation of Environmental and Social Framework to actively address the environmental risk associated with leakage or displacement of activities outside the boundaries of program jurisdiction

Are procedures in place requiring activities to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities? (<i>Paragraph 3.6.4</i>)	<input type="checkbox"/> YES
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Due to the scale of implementation, under ISFL programs it is expected that leakage outside the implementation area will be more difficult since the area covered by the Programs is usually several million hectares in size. Therefore, what would constitute leakage from an ISFL intervention would simply constitute internal displacement at the ISFL program level. This means that the resulting emissions would be captured by the monitoring system that is covering the whole ISFL program area.

Moreover, during the design of ISFL Programs, Programs shall identify GHG sources and sinks that may be impacted by the proposed ISFL ER Program and assess their associated risk for Displacement. Also, the ISFL ER Program shall have in place and implement, by the time of Verification, an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk. Consequently, although no material leakage is expected for ISFL Programs, the design and implementation of mitigation activities will result in a negligible residual leakage. For this reason, no procedures for deduction of ERs for leakage have been approved in the ISFL ER Program Requirements.

Question 4.7 Are only counted once towards a mitigation obligation

Does the Programme have measures in place for the following...	
a) to ensure the transparent transfer of units between registries; and that only one unit is issued for one tonne of mitigation (<i>Paragraphs 3.7.1 and 3.7.5</i>)	<input checked="" type="checkbox"/> YES
b) to ensure that one unit is issued or transferred to, or owned or cancelled by, only one entity at any given time? (<i>Paragraphs 3.7.2 and 3.7.6</i>)	<input checked="" type="checkbox"/> YES
c) to discourage and prohibit the double-selling of units, which occurs when one or more entities sell the same unit more than once? (<i>Paragraph 3.7.7</i>)	<input checked="" type="checkbox"/> YES
d) to require and demonstrate that host countries of emissions reduction activities agree to account for any offset units issued as a result of those activities such that double claiming does not occur between the airline and the host country of the emissions reduction activity? (<i>Paragraph 3.7.3</i>)	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through d):

a & b) The ER Transaction Registry has capabilities to issue one unit for one tonne of mitigation and to transfer, retire/cancel by only one entity at a time to avoid double counting of ERs.

c & d) Section 3.7 of the ISFL ER Program Requirements specify that host countries implementing ER programs shall select an appropriate mechanism to avoid double counting, including double issuance, double selling/use, or double claiming, to track the ERs and ensure that any ERs that have been generated, monitored and verified under the ISFL ER Programs and paid for by the ISFL are not used again by any entity for sale, public relations, compliance or any other purpose. The ER Transaction Registry has capabilities to register, track, and as appropriate retire or cancel ER units generated under the ISFL ER program. The procedures are described in the Operational Guidelines for Emission Reductions Transaction Registry. <https://cats.worldbank.org/html/knowledge.html>

The national governments need to comply with the Terms and Conditions of the ER Transaction registry (CATS - Carbon Assets Tracking System) to demonstrate no Double-Counting, Double-Selling, or Double-Claiming of ERs. The national governments through the acceptance of the Terms and Conditions, acknowledge (Section 11.02 paragraphs (n) (o)) no Double-Counting, Double-Selling, or Double-Claiming of the ERs and Buffer ERs, and that ER programs are not registered and will not register ERs simultaneously in CATS ER Registry and other registries. The common application of the Terms and Conditions of CATS to all national governments ensures that ISFL procedures to prevent double counting and double claiming are uniformly applicable to all national governments hosting ISFL ER Programs.

Additionally, paragraph 35, item (i) of Section 8.2 of the ISFL Validation and Verification Requirements, require Verification Bodies to assess the extent to which systems to avoid that ERs generated under the ISFL ER program have not been counted or compensated for more than once have been adequately implemented and confirm that issuance has not occurred in other known registries.

ISFL proposes to engage with countries implementing ER programs to make them aware of the ISFL procedures on Validation and Verification Requirements, and CATS ER Transaction Registry to prevent the risk of double-counting and to assist national governments to develop procedures that comply with ISFL procedures to avoid the risk of double counting. In relation to CATS ER Transaction Registry, ISFL proposes to engage with countries on steps required to comply with the Terms and Conditions of CATS ER Transaction Registry and to strengthen the capacity of national governments to have procedures in place to address double counting before ISFL credits can be issued.

Does the Programme have procedures in place for the following: (<i>Paragraph 3.7.8</i>)	
a) to obtain, or require activity proponents to obtain and provide to the programme, written attestation from the host country’s national focal point or focal point’s designee?	<input checked="" type="checkbox"/> YES
b) for the attestation(s) to specify, and describe any steps taken, to prevent mitigation associated with units used by operators under CORSIA from also being claimed toward a host country’s national mitigation target(s) / pledge(s)?	<input checked="" type="checkbox"/> YES
c) for Host country attestations to be obtained and made publicly available prior to the use of units from the host country in the CORSIA?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) through c):
a) & b) Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and Article XIV section 14.01; include provisions to address the above items. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf Section 7.02 specifies that users in CATS need to submit a transfer request which is assessed by CATS to identify that no prohibited actions are taking place, including a transfer that would result in Double-Counting, Double-Selling or Double-Claiming.

Does the Programme have procedures in place requiring... (<i>Paragraph 3.7.9</i>)	
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a) that activities take approach(es) described in (any or all of) these sub-paragraphs to prevent double-claiming?	<input checked="" type="checkbox"/> YES
<input type="checkbox"/> Emissions units are created where mitigation is not also counted toward national target(s) / pledge(s) / mitigation contributions / mitigation commitments. (<i>Paragraph 3.7.9.1</i>)	
<input type="checkbox"/> Mitigation from emissions units used by operators under the CORSIA is appropriately accounted for by the host country when claiming achievement of its target(s) / pledges(s) / mitigation contributions / mitigation commitments, in line with the relevant and applicable international provisions. (<i>Paragraph 3.7.9.2</i>)	
<input type="checkbox"/> Programme procedures provide for the use of method(s) to avoid double-claiming which are not listed above (<i>Paragraph 3.7.9.3</i>)	
b) that Host Country attestations confirm the use of approach(es) referred to in the list above?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

a) & b) Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and article XIV section 14.01; include provisions to address the above items.
https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf

Does the Programme... (<i>Paragraph 3.7.10</i>)	
a) make publicly available any national government decisions related to accounting for units used in ICAO, including the contents of host country attestations described in paragraph 3.7.8?	<input checked="" type="checkbox"/> YES
b) update information pertaining to host country attestation as often as necessary to avoid double-claiming?	<input checked="" type="checkbox"/> YES

Summarize and provide evidence of the policies and procedures referred to in a) and b):

a) & b) Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and Article XIV section 14.01; include provisions to address the above items.
https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf .

Does the Programme have procedures in place to compare countries' accounting for emissions units in national emissions reports against the volumes of eligible units issued by the programme and used under the CORSIA which the host country's national reporting focal point or designee otherwise attested to its intention to not double claim? (<i>Paragraph 3.7.11</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and Article XIV section 14.01; include provisions to address the above items.
https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf .

Does the Programme have procedures in place for the programme, or proponents of the activities it supports, to compensate for, replace, or otherwise reconcile double claimed mitigation	<input type="checkbox"/> YES
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associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double claim? (<i>Paragraph 3.7.13</i>)	
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Summarize and provide evidence of the policies and procedures referred to above:

Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and Article XIV section 14.01; include provisions to address the above items. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf . According to these sections, in the event that ERs are issued on another registry and/or erroneous or fraudulent use of ERs listed in the Registry, including but not limited to the ERs or Buffer ERs being subject to Double-Counting, Double-Selling or Double Claiming; The Registry Operator may cancel ERs on the Registry.

Would the Programme be willing and able, upon request, to report to ICAO's relevant bodies, as requested, performance information related to, <i>inter alia</i> , any material instances of and programme responses to country-level double claiming; the nature of, and any changes to, the the number, scale, and/or scope of host country attestations; any relevant changes to related programme measures? (<i>Paragraph 3.7.12</i>)	<input checked="" type="checkbox"/> YES
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Question 4.8 Do no net harm

Are procedures in place to ensure that offset projects do not violate local, state/provincial, national or international regulations or obligations? (<i>Paragraph 3.8</i>)	<input checked="" type="checkbox"/> YES
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Summarize and provide evidence of the policies and procedures referred to above:

World Bank's rules and procedures, including ESF, ESS, [Environmental and Social Policy for IPF](#), [Directive on Addressing Risks and Impacts on Disadvantaged and Vulnerable Groups or Individuals](#) and others establish solid safeguard mechanisms to ensure that national legal frameworks are respected and accounted for. Following requirements as specified in ESS1: Assessment and Management of Environmental and Social Risks and Impact, the assessments include thorough review and analysis of

- a) the country's policy, legal, and institutional framework, as these are relevant to the specific environmental and social risks and impacts of the project;
- (b) Laws, regulations, rules, and procedures (including permits and approval requirements) applicable to the project, including regional and local requirements that are relevant to the environmental and social risks and impacts of the project;
- (c) Inconsistencies, lack of clarity, or conflict as to relevant authorities or jurisdiction, including differences between national and regional/local authorities or jurisdictions;
- (d) Previous experience with the Bank or other multilateral or bilateral financing agencies and the performance of the Borrower and the national, subnational, sectoral, and local institutions involved in the preparation and/or

implementation of similar previous projects; and

(e) Technical and institutional capacity of the Borrower and relevant national, subnational, or sectoral implementing institutions or agencies related to the preparation and implementation of the project.

Section 3.1.4 of the ISFL ER Program Document Template requires that programs should include information on planned actions and interventions that comply with local, regional and national laws, statutes, and regulatory frameworks, including relevant international conventions and agreements. The programs are also expected to identify legal and regulatory gaps and clarify how they will be addressed.

Describe, and provide evidence that demonstrates, how the programme complies with social and environmental safeguards: *(Paragraph 3.8)*

ISFL programs are required to comply with the World Bank's Environmental and Social Framework (ESF) and are required to report on their compliance with ESF requirements and monitor their implementation at least twice a year through the ISRs, which are publicly available, as well as through the annual ER Monitoring Reports. Each program has to develop and approve Environmental and Social Commitment Plan, which underlines all potential risks and all safeguarding measures which need to be installed and followed. Bank conducts implementation support missions at least twice a year to monitor the implementation of the safeguard measures and compliance. The reports (ISR) are disclosed and publicly available.

To address grievances of stakeholders, ER programs are required to operationalize an FGRM to address grievances in relation to the program compliance with ESF. Additional information details on compliance with social and environmental safeguards is presented in response to question 3.9 above.

Describe, and provide evidence of the programme's public disclosure of, the institutions, processes, and procedures that are used to implement, monitor, and enforce safeguards to identify, assess and manage environmental and social risks: *(Paragraph 3.8)*

The ISFL follows the requirements of World Bank Policy on Access to Information on public disclosure of safeguards documentation and disclosure of documents relating to environmental and social risks prior to the appraisal. The information on institutions with accountability, processes, procedures to be followed, objectives and contents of documents, their rationale, arrangements for implementation are clarified in the Environmental and Social Framework and Safeguards Plan prepared to identify, monitor, manage and enforce safeguards relating to environmental and social risks for compliance with World Bank's environmental and social framework (ESF) over a specified timeframe and based on consultations with relevant stakeholder.

Section F of the Environmental and Social Policy for Investment project Financing of the World Bank Environmental and Social Framework clarifies the provisions of information disclosure and can be referred at the below link.

<https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf>

The World Bank Policy on Access to Information is available at the below links

<https://policies.worldbank.org/en/policies/all/ppfdetail/3693>

<https://ppfdocuments.azureedge.net/3693.pdf>

PART 5: Programme comments

Are there any additional comments the programme wishes to make to support the information provided in this form?

No

SECTION IV: SIGNATURE

I certify that I am the administrator or authorized representative (“Programme Representative”) of the emissions unit programme (“Programme”) represented in a) this form, b) evidence accompanying this form, and c) any subsequent oral and/or written correspondence (a-c: “Programme Submission”) between the Programme and ICAO; and that I am duly authorized to represent the Programme in all matters related to ICAO’s analysis of this application form; and that ICAO will be promptly informed of any changes to the contact person(s) or contact information listed in this form.

As the Programme Representative, I certify that all information in this form is true, accurate, and complete to the best of my knowledge.

As the Programme Representative, I acknowledge that:

the Programme’s participation in the assessment does not guarantee, equate to, or prejudice future decisions by Council regarding CORSIA-eligible emissions units; and

the ICAO is not responsible for and shall not be liable for any losses, damages, liabilities, or expenses that the Programme may incur arising from or associated with its voluntary participation in the assessment; and

as a condition of participating in the assessment, the Programme will not at any point publicly disseminate, communicate, or otherwise disclose the nature, content, or status of communications between the Programme and ICAO, and of the assessment process generally, unless the Programme has received prior notice from the ICAO Secretariat that such information has been and/or can be publicly disclosed.

Signed:



Roy Parizat

24 February 2022

-

Full name of Programme Representative (*Print*)

Date signed (*Print*)

Programme Representative (*Signature*)



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Programme Application Form, Appendix B

Programme Assessment Scope

CONTENTS: With this document, programmes may define which of their activities they are submitting for assessment by the TAB. The two sheets are described below:

- Sheet A) Activities the programme describes in this form, which will be assessed by ICAO's TAB
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A

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Programme Application Form, Appendix C

Programme Exclusions Scope

CONTENTS: With this document, programmes may define which of their activities they are **excluding** from TAB's assessment. The two sheets are described below:

- Sheet A) Activities the programme describes in this form will be **excluded** from assessment by ICAO's TAB
- Sheet B) List of all methodologies / protocols that support activities described under Sheet A

Emissions Unit Programme Registry Attestation

(Version 2, January 2022)

PART A. Applicability and Instructions

1. Relevance and definitions:

1.1. These terms are relevant to emissions unit programmes and their designated registries:

1.1.1. *CORSIA Eligible Emissions Unit Programme:* emissions unit programme approved by the ICAO Council as eligible to supply emissions units under the CORSIA.

1.1.2. *CORSIA Eligible Emissions Unit Programme-designated registry:* registry designated by a CORSIA Eligible Emissions Unit Programme to provide its registry services and approved by the ICAO Council as reflected in the programme's listing contained in the ICAO Document titled "*CORSIA Eligible Emissions Units*".

1.1.3. *Material change:* any update to the procedures of an emissions unit programme or its designated registry that would alter the functions that are addressed in the Emissions Unit Criteria (EUC), related guidelines, or the contents of this attestation. This includes changes that would alter responses to questions in the application form that the programme has submitted to the ICAO Secretariat or contradict the confirmation of the registry's adherence to the requirements contained in this attestation.

1.1.4. *Cancel:* the permanent removal and single use of a CORSIA Eligible Emissions Unit within a CORSIA Eligible Emissions Unit Programme designated registry such that the same emissions unit may not be used more than once. This is sometimes also referred to as "retirement", "cancelled", "cancelling" or "cancellation".

1.1.5. *Business day:* defined by the CORSIA Eligible Emissions Unit Programme registry when responding to formal instruction from a duly authorized representative of the owner of an account capable of holding and cancelling CORSIA Eligible Emission Units.

1.2. References to "Annex 16, Volume IV" throughout this document refer to Annex 16 to the Convention on International Civil Aviation — *Environmental Protection*, Volume IV — *Carbon Offsetting and reduction Scheme for International Aviation (CORSIA)*, containing the Standards and Recommended Practices (SARPs) for CORSIA implementation. Reference to "ETM, Volume IV" throughout this document refer to Environmental Technical Manual (Doc 9501), Volume IV — *Procedures for demonstrating compliance with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)*, containing the guidance on the process to implement CORSIA SARPs.

2. Programme - registry relationship:

2.1. The ICAO Council's Technical Advisory Body (TAB) conducts its assessment of emissions unit programme eligibility including an assessment of the programme's provisions and procedures governing the programme registry, as represented by the programme. The ICAO Council determines CORSIA eligible emissions units upon recommendations by TAB and

consistent with the EUC. The programme registry is not separately or independently considered throughout this process. The TAB may periodically review and report to the ICAO Council regarding the continued consistency of programme's registry and its administration with terms contained in this document's Part B.

- 2.2.** The provision of registry services under the CORSIA by a CORSIA Eligible Emissions Unit Programme registry is fully subject to the terms, conditions and limitations to the programme's scope of eligibility. Such terms include, *inter alia*, the programme's commitment to administer any and all provisions and procedures governing the programme registry in the manner represented by the programme in the application form and additional information provided to TAB during the assessment process.
 - 2.3.** A CORSIA Eligible Emissions Unit Programme registry can provide registry services to aeroplane operators prior to the programme's and programme registry's demonstration of the registry's consistency with the registry requirements contained in this attestation. However, the programme registry can only claim to support and can only provide for aeroplane operators to fulfill the provisions in Annex 16, Volume IV and ETM, Volume IV involving emissions unit cancellation-, reporting-, and verification-related actions after its consistency with the registry requirements contained in this attestation is demonstrated by the programme in accordance with Part A, Paragraph 3 of this document, and the signed attestation is published on the CORSIA website in addition to the ICAO document "*CORSIA Eligible Emissions Units*".
- 3. Submitting an "*Emissions Unit Programme Registry Attestation*":**
- 3.1.** Both the administrator or authorized representative ("Programme Representative") of an emissions unit programme ("Programme"), and the administrator or authorized representative ("Registry Representative") of the registry designated by the Programme ("Programme Registry") will review and attest to their acceptance (as signed in Section 8 of this attestation) of all terms contained herein.
 - 3.2.** The Programme will electronically submit to the ICAO Secretariat a unique, dual-signed attestation for each and every Programme Registry that will provide its registry services to the Programme under the CORSIA:

 - 3.2.1.** If the Programme is determined to be eligible by a decision of the ICAO Council taken in 2020, the Programme will submit the signed attestation(s) to the ICAO Secretariat no later than one year after the Programme is determined to be eligible by the ICAO Council.
 - 3.2.2.** From 2021, the Programme should submit the signed attestation(s) to the ICAO Secretariat at the time of applying for assessment by the TAB. If the Programme is determined to be eligible by a decision of the ICAO Council after 31 December 2020, the Programme will submit the signed attestation(s) to the ICAO Secretariat no later than 180 days after the Programme is determined to be eligible by the ICAO Council.
 - 3.3.** As soon as possible upon receiving a signed attestation from the Programme, the ICAO Secretariat will:

3.3.1.Forward the signed attestation to the TAB; and

3.3.2.If the Programme is determined to be eligible by a decision of the ICAO Council, publicly post the signed attestation on the CORSIA website in addition to the ICAO document “*CORSIA Eligible Emissions Units*”.

PART B: Emissions Unit Programme Registry Attestation

4. Programme application materials. As the Registry Representative, I certify items 4.1 to 4.4:

4.1. I have read and fully comprehend the following information:

4.1.1.The instructions and terms of this attestation;

4.1.2.The contents of the ICAO document “*CORSIA Emissions Unit Eligibility Criteria*”;

4.1.3.The contents of the most recent version of the application form that the Programme has provided to the ICAO Secretariat; and

4.1.4.The terms, conditions and limitations to the Programme’s scope of eligibility and further action(s) requested to the Programme by the ICAO Council, as presented to the Programme upon relevant decision of the ICAO Council on the Programme’s eligibility¹.

4.2. The Programme’s representation of its provisions and procedures governing the Programme Registry, and of Programme Registry functionality, as contained in the most recent version of the application form that the Programme has provided to the ICAO Secretariat, is true, accurate, and complete, to the best of my knowledge;

4.3. The Programme Registry will notify the Programme of any material changes to the Programme Registry, to enable the Programme to maintain consistency with relevant criteria and guidelines throughout its assessment by TAB and up to an eligibility decision by the ICAO Council; and, if applicable, continuing on from the effective date of an affirmative eligibility decision by the ICAO Council, the Programme Registry will notify the Programme of any material changes to the Programme Registry, such that the Programme can maintain consistency with relevant criteria and guidelines;

4.4. The Programme Registry and Registry Representative will not publicly disseminate, communicate, or otherwise disclose the nature, content, or status of communications between the Programme, the Programme Registry, and/or the ICAO Secretariat, related to the status of the Programme’s provision of programme and registry services under the CORSIA, unless the Programme has received prior notice from the ICAO Secretariat that such information has been and/or can be publicly disclosed.

5. Scope of Programme responsibilities under the CORSIA. As the Registry Representative, I acknowledge items 5.1 to 5.2:

5.1. The scope of the Programme assessment by the TAB, through which the TAB will develop recommendations on the list of eligible emissions unit programmes (and potentially project types) for use under the CORSIA, which will then be considered by the ICAO Council for an eligibility decision, including the Programme’s responsibilities throughout this process; and

¹ Only applicable when the Programme submits the signed “*Emissions Unit Programme Registry Attestation*” to the ICAO Secretariat after the Programme is determined to be eligible by a decision of the ICAO Council.

- 5.2. The scope and limitations of the ICAO Secretariat's responsibilities related to the assessment process.
6. **Programme - Registry relationship.** As the Registry Representative, I understand and accept items 6.1 to 6.2:
- 6.1. The Programme Registry's provision of registry services under the CORSIA is subject to the terms, conditions and limitations to the Programme's scope of eligibility, as presented to the Programme upon relevant decision of the ICAO Council on the Programme's eligibility; and
- 6.2. Only after the Programme and the ICAO Secretariat have completed all steps in Part A, Section 3 of this attestation, can the Programme Registry facilitate and identify emissions unit cancellations specifically for CORSIA use, and support any related reporting and verification activities. The Programme Registry will not promote itself as being capable of providing registry services for the described purpose until such time.
7. **Scope of Programme Registry responsibilities under the CORSIA.** As the Registry Representative, I certify items 7.1 to 7.12:
- 7.1. The Programme Registry is capable of fully meeting the objectives of any and all Programme provisions and procedures related to the Programme Registry that the Programme is required to have in place:
- 7.1.1. In the manner represented by the Programme in the application form that the Programme has provided to the ICAO Secretariat; and
- 7.1.2. As acknowledged by the Programme in the signed "Programme acceptance to terms of eligibility for inclusion in the ICAO document "*CORSIA Eligible Emissions Units*"².
- 7.2. The Programme Registry will not deny a CORSIA participant's request for a registry account solely on the basis of the country in which the requestor is headquartered or based;
- 7.3. The Programme Registry will identify (in the case of applicants to be assessed to determine their eligibility) / identifies (when the Programme is determined to be eligible by a decision of the ICAO Council) CORSIA Eligible Emissions Units as defined in the ICAO document "*CORSIA Eligible Emissions Units*"³. This will be/is done consistent with the capabilities described by the Programme in its communications with ICAO, and any further requirements decided by the ICAO Council for CORSIA Eligible Emissions Unit Programme-designated Registry.
- 7.4. The Programme Registry will, upon request of the CORSIA participant account holder or participant's designee, designate the participant's cancellation of emissions units for the purpose of reconciling offsetting requirements under the CORSIA, including by compliance cycle;

² Only applicable when the Programme submits the signed "*Emissions Unit Programme Registry Attestation*" to the ICAO Secretariat after the Programme is determined to be eligible by a decision of the ICAO Council.

³ As prescribed in the ICAO Document "*CORSIA Eligible Emissions Units*", the programme must provide for and implement its registry system to identify its CORSIA eligible emissions units as defined in the document.

- 7.5.** The Programme Registry will, within 1 – 3 business days of receipt of formal instruction from a duly authorized representative of the owner of an account capable of holding and cancelling CORSIA Eligible Emission Units within the registry, and barring system downtime that is scheduled in advance or beyond the control of the registry administrator, make visible on the Programme Registry’s public website the account owners cancellations of CORSIA Eligible Emission Units as instructed. Such cancellation information will include all fields that are specified for this purpose in Annex 16, Volume IV, and ETM, Volume IV;
- 7.6.** The Programme Registry will, upon request of the CORSIA participant account holder or participant’s designee, generate report(s) containing the information specified for this purpose in Annex 16, Volume IV, and ETM, Volume IV;
- 7.7.** The Programme Registry will maintain robust security practices that ensure the integrity of, and authenticated and secure access to, the registry data of CORSIA participant account holders or participants’ designees, and transaction events carried out by a user; and disclose documentation of such practices upon request. The Programme Registry will utilize appropriate method(s) to authenticate the identity of each user accessing an account; grant each user access only to the information and functions that a user is entitled to; and utilize appropriate method(s) to ensure that each event initiated by a user (i.e. transfer of units between accounts; cancellation/retirement of a unit, update of data, etc.) is an intentional transaction event confirmed by the user. Such security features will meet and be periodically updated in accordance with industry best practice;
- 7.8.** The Programme Registry will, upon identifying any breach of Programme Registry data security or integrity that affects a CORSIA participant account holder or participant’s designee, notify the CORSIA participant account holder or their designee, and notify the Programme, which will inform and engage with the ICAO Secretariat on the matter in the same manner as required for material deviations from the Programme’s application form;
- 7.9.** The Programme Registry will ensure the irreversibility of emissions unit cancellations and the designation of the purpose of emissions units cancellations, as per the requirements contained in Annex 16, Volume IV, and ETM, Volume IV. Without prejudice to the aforementioned, such requirement would not prevent a Programme Registry from utilizing secure, time-bound and auditable methods for correcting unintentional user-entry errors;
- 7.10.** The Programme Registry will ensure that all cancellation information on its website is presented in a user-friendly format; is available at no cost and with no credentials required; is capable of being searched based on data fields; and can be downloaded in a machine-readable format, e.g., .xlsx;
- 7.11.** The Programme Registry will retain documents and data relevant to CORSIA Eligible Emissions Units and cancellations on an ongoing basis and for at least three years beyond the end date of the latest compliance period in which the emissions unit programme is determined to be eligible; and consistent with the Programme’s long-term planning, including plans for possible dissolution;
- 7.12.** The Programme Registry will append a document to the end of the signed attestation describing how it will ensure its ability to implement the requirements of this document. This will include references to existing registry functionalities that already meet the

requirements of this document and/or description of business practices and procedures that ensure the Programme Registry's ability to implement the requirements in this document prior to identifying any emissions unit cancellations specifically for CORSIA use and supporting any related reporting and verification activities.

8. Accuracy and completeness of information. The signatures below certify that the information provided is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. Representatives are duly authorized for official correspondence on behalf of their organization.



Programme Representative Signature

Marc Peter Sadler

Programme Representative Name



Registry Representative Signature

Bong Thi Le

Registry Representative Name

BioCarbon Fund Initiative for Sustainable
Forest Landscapes (ISFL)

Programme Name

02/24/2022

Date

Carbon Assets Tracking System (CATS)

Registry Name

02/24/2022

Date

Instructions for Registry Representative: Please append a document on the next page of this attestation describing your Registry's ability to implement the requirements of this document, including references to existing registry functionalities that meet the requirements of this document and/or description of business practices and procedures that ensure the Programme Registry's ability to implement the requirements of this document prior to identifying any emissions unit cancellations specifically for CORSIA use and supporting any related reporting and verification activities.

ATTACHMENT A: PROGRAMME REGISTRY ATTESTATION DISCLOSURE FORM

PART 1: INSTRUCTIONS FOR REGISTRY REPRESENTATIVE

The following information request corresponds to the registry representative's certification of its adherence to items 7.1 to 7.11 of the *Emissions Unit Programme Registry Attestation* "Scope of Programme Registry responsibilities under the CORSIA".

In accordance with item 7.12 of the *Emissions Unit Programme Registry Attestation*, registry administrators are to complete and append this form to the signed *Attestation* describing how the Registry will ensure its ability to implement the requirements of the *Attestation*. This includes references to existing registry functionalities that already meet the requirements of the *Attestation* and/or descriptions of business practices and procedures that ensure the Programme Registry's ability to implement the requirements in the *Attestation*.

For further guidance regarding the format and approaches for providing summary information and evidence of system functionalities and/or procedures in this form, refer to instructions for "**Form Completion**" in the *Application Form for Emissions Unit Programmes*⁴.

PART 2: PROGRAMME AND REGISTRY REPRESENTATIVE INFORMATION

1. Programme Representative Information

A. Programme Information

Programme name: BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)

Administering Organization⁵: The World Bank

Official mailing address: The World Bank, 1818 H Street NW, Washington DC, 20433 USA

Telephone #: +1-202-473-6179

Official web address: <https://www.biocarbonfund-isfl.org/>

B. Programme Administrator Information (i.e., individual contact person)

Full name and title: Roy Parizat (Fund manager BIOCF ISFL, SCCFM, The World Bank)

Employer / Company (*if not programme*): The World Bank

E-mail address: rparizat@worldbank.org

Telephone #: +1-202-473-6179

C. Programme Representative Information (if different from Programme Administrator)

⁴ <https://www.icao.int/environmental-protection/CORSIA/Pages/TAB.aspx>

⁵ **Please complete**, even if the name of the business, government agency, organization, or other entity that administers the Emissions Unit Programme is the same as "*Programme Name*".

Full name and title: Marc Peter Sadler (Practice Manager, SCCFM, The World Bank)

Employer / Company (*if not Programme*): The World Bank

E-mail address: msadler@worldbank.org

Telephone #: +1-202-458-2633

2. Registry Representative Information⁶

A. Registry Information

Registry / system name: Carbon Assets Tracking System (CATS)

Administering Organization: The World Bank

Official mailing address: The World Bank, 1818 H Street NW, Washington DC, 20433 USA

Telephone #: +1 202 473 6966

Official web address: <https://cats.worldbank.org/>

B. Registry Administrator Information (i.e., individual contact person)

Full name and title: Bong Thi Le (CATS Administrator, SCCFM, The World Bank)

Employer / Company (*if not Registry Administering Organization*): The World Bank

E-mail address: ble@worldbank.org

Telephone #: +1 202 473 6966

C. Programme Representative Information (if different from Registry Administrator)

Full name and title: Marc Peter Sadler (Practice Manager, SCCFM, The World Bank)

Employer / Company (*if not Registry Administering Organization*): The World Bank

E-mail address: msadler@worldbank.org

Telephone #: +1-202-458-2633

⁶ **Please complete this section**, even if the business, government agency, organization, or other entity that administers the Emissions Unit Programme Registry is the same as the organization described in **Part 2. “1. Programme Representative Information”**.

PART 3: EVIDENCE OF ADHERENCE TO SCOPE OF REGISTRY RESPONSIBILITIES

	<p>Does the Programme Registry fully meet the objectives of any and all Programme provisions and procedures related to the Programme Registry that the Programme is required to have in place in the manner represented by the Programme in the application form that the Programme has provided to the ICAO Secretariat and, if applicable⁷, as acknowledged by the Programme in the signed “Programme acceptance to terms of eligibility for inclusion in the ICAO document “<i>CORSIA Eligible Emissions Units</i>”?”</p>	<p><input checked="" type="checkbox"/> YES</p>
<p>7.1</p>	<p>Describe how the Registry ensures its ability to implement these provisions:</p> <p>Yes, it does. CATS (Carbon Assets Tracking System) is the designated CORSIA Eligible Emissions Unit Programme registry. CATS is an online centralized platform that supports the issuance and transaction of ER units generated under World Bank programs. Specifically, it has been designed to support the operations under the ER Programs of the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL).</p> <p>All the programme registry provisions and procedures are described in the three documents of the Transaction Registry; the Operational Guidelines - key policy document to facilitate the implementation of the registry procedures; the User Manual - describes step-by-step procedures and tools for system access and use; and the Terms and Conditions - legal agreement between the service provider (The WB) and the users that sets the rules and guidelines that users must agree and follow to use the registry services.</p> <p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p> <p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The three documents of the Transaction Registry - the Operational Guidelines, the User Manual and the Terms and Conditions - are accessible under the “Knowledge Center” block in the CATS webpage.</p>	

	<p>Will the Programme Registry ensure that a CORSIA participant’s request for a registry account will not be denied solely on the basis of the country in which the requestor is headquartered or based?</p>	<p><input checked="" type="checkbox"/> YES</p>
<p>7.2</p>	<p>Describe how the Registry does or will implement this provision:</p> <p>During the on-boarding process, as described in the Operational Guidelines, all external users (included CORSIA participants) will be requested to submit information and specific documentation about the entity and the staff that will operate the system, prior to sharing the invitation through the platform to open an account in the system.</p>	

⁷ Only applicable when the Programme submits the signed “*Emissions Unit Programme Registry Attestation*” to the ICAO Secretariat after the Programme is determined to be eligible by a decision of the ICAO Council.

	<p>CATS follows the Bank Procedures that set out the steps for Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) screening and sanction screening of transactions⁸. Integrity Due Diligence checks features of external users and organizations on-boarded in CATS using WBG sanctions screening system, to gain a deeper understanding of the potential external users of the registry, primarily from a risk management perspective and to proactively mitigate integrity risks.</p> <p>All external registry users and their institutions (Fund participants, Host Countries, and Third-party buyers) are screened daily against WB internal sanction lists (WBG Debarred and Temporarily Suspended firms and individuals, WBG Corporate Procurement Non-Responsible Vendors, and World Bank Corporate Risk Profile Database - CRPD - watchlist) and major external sanction screening lists (Consolidated United Nations Security Council (UN) sanctions list, United States Office of Foreign Assets Control (US OFAC) – SDN and Non-SDN Consolidated lists, European Union Consolidated (EU) list of sanctions, and United Kingdom HM Treasury’s Consolidated (UK) list of financial sanctions targets) using Lexis Nexis (LN) Bridger Insight.</p> <p>The information checked against the internal and external sanction screening lists is the complete name and address. The location of an user in country is not a flag to prevent any third-party user to open a registry account in CATS.</p>
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>
	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines as the key policy registry document to facilitate the implementation of the registry procedures, describes the On-boarding and Integrity Due Diligence (Sanction Screening) processes. The document is accessible under the “Knowledge Center” block in the CATS webpage.</p>

	<p>Will the Programme Registry (in the case of applicants to be assessed to determine their eligibility)/Does the Programme Registry (when the Programme is determined to be eligible by a decision of the ICAO Council) identify / label its CORSIA eligible emissions units as defined in the ICAO Document “<i>CORSIA Eligible Emissions Units</i>”?</p>	<p><input checked="" type="checkbox"/> YES</p>
<p>7.3</p>	<p>Describe how the Registry does or will implements this provision:</p> <p>CATS has the capabilities to designate the ICAO eligible units in all account’s types, identify, track and transfer unit holding from issuance to retirement/cancellation, and uniquely serialize units including information on unit status (active, buffered, cancelled or retired), unit’s country and sector of origin and vintage of credits among other information as part of the Global Carbon Ticket Code (GCTC).</p> <p>The registry procedures ensure traceability, transparency, efficiency, environmental Integrity and ISFL compliance requirements.</p> <p>The identification of the ICAO-eligible units will be explicitly added as a label to the unique serial</p>	

⁸ Bank Procedure: Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) and Sanctions Screening Procedure. Catalogue Number IVP1.04-PROC.110. Effective: April 1st, 2020. This Procedure sets out steps that are consistent with Article VI of the 1947 Relationship Agreement between the United Nations and the International Bank for Reconstruction and Development (IBRD) and the decisions of the WBG Sanctions Board.

	<p>number (GCTC). The GCTC consists in 13 elements, reflected as 71 alpha-numeric characters that can be described as: (i) Static Elements that never change throughout the block lifecycle and define the details and characteristics of the block origin; and (ii) Dynamic Elements that are subject to continuous changes through the block life-cycle and define current state and characteristics of the block in relation to the transactions which have been performed.</p> <p>The last 3 elements of the serial number characterize ICAO eligible units (status-active, class-certified, type-tradable) and the compliance with the standard will be explicitly label to the GCTC.</p>
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>
	<p>For further details check section</p> <p>2.3.2.1. <i>Global Carbon Ticker Code (GCTC). ER Units Serialization</i> of the CATS Operational Guidelines https://cats.worldbank.org/shared/docs/CATS_Knowledge_Operational.pdf</p>

7.4	<p>Will the Programme Registry, upon request of the CORSIA participant account holder or participant’s designee, designate the participant’s cancellation of emissions units for the purpose of reconciling offsetting requirements under the CORSIA, including by compliance cycle?</p>	<input checked="" type="checkbox"/> YES
	<p>Describe how the Registry does or will implement these provisions:</p>	
	<p>Yes, it will. The cancellation process of tradable units from any third-party’s tradable account to their cancellation account is a permanent transfer (ER units status changes from active to cancelled). Cancellation of units is a two-levels of approval transfer that starts with a request from the ER units owning entity (third-party under this assumption) that submits the transaction to its authorized approver (third-party approver according to this case), followed by the final clearance from the Fund Manager/ CATS Admin – Global.</p>	
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>	
	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the process of Cancellation of ER units in detail. The document is accessible under the “Knowledge Center” block in the CATS webpage.</p>	

7.5	<p>a. Will the Programme Registry, within 1 – 3 business days of receipt of formal instruction from a duly authorized representative of the owner of an account capable of holding and cancelling CORSIA Eligible Emission Units within the registry, and barring system downtime that is scheduled in advance or beyond the control of the registry</p>	<input checked="" type="checkbox"/> YES
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	administrator, make visible on the Programme Registry’s public website the account owner’s cancellations of CORSIA Eligible Emission Units as instructed.	
	b. Will such cancellation information (row a) include all fields that are specified for this purpose in Annex 16, Volume IV, and ETM, Volume IV?	<input checked="" type="checkbox"/> YES
	Describe how the Registry does or will implement these provisions:	
	<p>Yes, it will. According to the cancellation process described in 7.4, once the transaction request is approved by the authorized account holder of the ER units (third-party approver), the final clearance from the CATS Admin will be processed the same day it is received (‘approve’), unless is inadmissible (reject) or some observed errors must be corrected (‘send back for revision’). Information on cancelled ER units will be visible on the CATS Registry public website.</p> <p>The specific cancellation information available on the CATS Registry public website includes (but not limited to) the quantity of ER units cancelled, the certification period, the start and end of the serial numbers, the date of cancellation, the programme code, unit type, host country, methodology and the party cancelling the ERs from their accounts. This information is available for each specific transaction and includes the complete information of the global carbon ticket code assigned to the cancelled ER units (in reference to the SARPs provisions on the consolidated information for cancelled emissions units).</p>	
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>	
	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the process of Cancellation of ER units and the information available under the third-party and CATS admin dashboards referring to that transaction. It also includes the description of the global carbon ticket code assigned to each ER unit. The document is accessible under the “Knowledge Center” block in the CATS webpage.</p> <p>The Terms and Conditions is the legal agreement between the service provider (The WB) and the users, establishes in its Article XX. Confidentiality; Disclosure and Sharing of Confidential Information, the rules and guidelines that users must agree to and comply in relation to the information made public. The document is accessible under the “Knowledge Center” block in the CATS webpage.</p>	

7.6	Will the Programme Registry, upon request of the CORSIA participant account holder or participant’s designee, generate report(s) containing the information specified for this purpose in Annex 16, Volume IV, and ETM, Volume IV?	<input checked="" type="checkbox"/> YES
	Describe how the Registry does or will implement this provision:	
	An aggregated report provides a snapshot of any asset type, status, class of any third-party account between two dates. Any user who has access under the third-party entity will be able to generate and view the report.	

	<p>Users can generate transaction report (in the form of pdf or excel) on Monthly, Quarterly, Yearly & with customized time period. Users can generate unit holding report on a specific date by clicking on the calendar icon.</p> <p>The information in the transactions report includes among others the quantity of ER units transferred, the certification period, the start and end of the serial numbers, the date of the transfer, the programme code, unit type, host country, methodology and the third-party transferring the ERs (in reference to the SARPs provisions containing specific information / fields to reflect in registry).</p>
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry's implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p> <p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the process of how the registry users can generate transactions reports and unit holding reports. The document is accessible under the "Knowledge Center" block in the CATS webpage.</p> <p>The Terms and Conditions is the legal agreement between the service provider (The WB) and the users, establishes in its Article XX. Confidentiality; Disclosure and Sharing of Confidential Information, the rules and guidelines that users must agree to and comply in relation to the information made public. The document is accessible under the "Knowledge Center" at the CATS webpage.</p>

7.7	a. Does the Programme Registry maintain robust security practices that ensure the integrity of, and authenticated and secure access to, the registry data of CORSIA participant account holders or participants' designees, and transaction events carried out by a user?	<input checked="" type="checkbox"/> YES
	b. Does the Programme Registry disclose documentation of such practices (row a) upon request?	<input checked="" type="checkbox"/> YES
	c. Does the Programme Registry utilize appropriate method(s) to authenticate the identity of each user accessing an account?	<input checked="" type="checkbox"/> YES
	d. Does the Programme Registry grant each user access only to the information and functions that a user is entitled to?	<input checked="" type="checkbox"/> YES
	e. Does the Programme Registry utilize appropriate method(s) to ensure that each event initiated by a user (i.e. transfer of units between accounts; cancellation/retirement of a unit, update of data, etc.) is an intentional transaction event confirmed by the user?	<input checked="" type="checkbox"/> YES
	f. Do such security features (rows a – e) meet and undergo periodic updates in accordance with industry best practice?	<input checked="" type="checkbox"/> YES
	Describe how the Registry implements each provision in rows a – f:	

CATS (Carbon Assets Tracking System) has implemented a robust security system that ensures the integrity, authenticated and secure access of authorized external users **(a)**. All the on-boarding procedures, the authentication and the Integrity Due Diligence (Sanction Screening) processes are described in detail in the **Operational Guidelines (b)**.

CATS has implemented an off-line on-boarding process where the entities and their staff, proposed as users of the system under different roles (transaction processor, approver and viewer), have to submit detailed information and documentation to the CATS Administrator. Once the official onboarding request with supporting documents has been received and checked, the WB will send an invitation email (through the platform) to the external user with a link to create an account on the WB cloud-based user authentication system.

WB cloud-based user authentication service (Microsoft Azure AD) permits external users to utilize a government/corporate or commercial domain email addresses as user ID to access CATS **(c)**. The user may create a password, confirm location, verify email using a code, overcome an anti-spam check, confirm email address, and review and accept permissions to grant the WB to use external user's name and email address.

The request is submitted to the CATS Administrator who manages user access and assigns roles and authorizations. The external user will receive an email notification with the group membership granting access through a specific role under the program. CATS authorizes each user access only to the information and functions (role) that a user is entitled to **(d)**.

Each transaction initiated by an authenticated user with designated user role has to be confirmed before submitting and explained in the comments section (compulsory) and supported with documentary evidence to assure it is an intentional transaction event confirmed by the user **(e)**. In addition, any transaction has several levels of approval with a final clearance according to the registry governance system.

Furthermore, as explained in 7.2, Integrity Due Diligence checks features of external users and organizations on-boarded to CATS using WBG sanctions screening system proactively mitigates and manages integrity risks. All external registry users and their institutions (Participants, Programs - Countries, and Third-party buyers) are screened before creation and daily through end of day batch process against WB internal sanction lists and major external sanction screening lists.

These security features (a – e) are meet and undergo periodic updates in accordance with industry best practice, checked regularly by a dedicated IT and business team in The WB. The results of the security checks are evaluated by different teams in The WB depending on their severity according to a detailed Decision-Making (ADM) framework and are subject to an annual external audit.

In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry's implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this *Emissions Unit Programme Registry Attestation*.

CATS (Carbon Assets Tracking System) Web: <https://cats.worldbank.org/>

The **Operational Guidelines** is the key policy registry document to facilitate the implementation of the registry procedures. It describes the on-boarding, the authentication and the Integrity Due

	<p>Diligence (Sanction Screening) procedures. The document is accessible under the “Knowledge Center” at the CATS webpage.</p> <p>The Terms and Conditions is the legal agreement between the service provider (The WB) and the users, establishes in its <i>Article V. Account Authorization, Authorized Representatives, User Acting as Agent</i>, the rules and guidelines that users must agree to and comply to use the registry services, to ensure the integrity and the authenticated and secure access to the registry data. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>
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7.8	<p>a. Will the Programme Registry, upon identifying any breach of Programme Registry data security or integrity that affects a CORSIA participant account holder or participant’s designee, notify the CORSIA participant account holder or their designee?</p>	<input checked="" type="checkbox"/> YES
	<p>b. Will the Programme Registry, upon identifying any breach of Programme Registry data security or integrity that affects a CORSIA participant account holder or participant’s designee, notify the Programme, which will inform and engage with the ICAO Secretariat on the matter in the same manner as required for material deviations from the Programme’s application form?</p>	<input checked="" type="checkbox"/> YES
	<p>Describe how the Registry does or will implement each provision in rows a and b:</p>	
	<p>CATS Admin, upon identifying any breach of CATS data security or integrity that affects any external user account holder, will notify the external user (a). In case of breach of security or integrity affects a CORSIA participant account holder, CATS will notify the BioCF ISFL (Fund Manager) which will inform the ICAO Secretariat on the matter in the same manner as required for material deviations from the Programme’s application form (b).</p> <p>In case of any breach of CATS data security, the dedicated CATS maintenance IT team will immediately inform through the CATS Admin all external users and entities potentially affected to and will implement necessary measures to restore the service per the conditions agreed with parties.</p> <p>If as a result of the Integrity Due Diligence process, the Sanctions Screening Plus API call to Lexis Nexis (LN) service, right after CATS Admin approval (creation or editing the external user’s account) or as a result of the sanction screening end of day batch process, is returned with a hit:</p> <p>(i) a pop-up notification message will be displayed; (ii) the external user/entity on-boarding request will be listed as pending for approval and (iii) a case under IDD Management is created (Open Case Tab). The external user/entity is sanctioned and/or associated with negative news/substantial risk, and CATS will flag the external user/entity creation request with a red banner “Due Diligence Block”.</p> <p>Until the case is resolved, users/entities will be frozen, and all their accounts will be blocked, so no one will be able to initiate transactions from or to the frozen account.</p> <p>Depending on the specific sanction list and the percentage of match, various instances in the WB will evaluate and clear or bear out the case, contacting the external users and entities involved.</p>	
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme</p>	

	<p>Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>
	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the implemented security protocols and the Integrity Due Diligence (Sanction Screening) procedures. The document is accessible under the “Knowledge Center” at the CATS webpage.</p> <p>The Terms and Conditions is the legal agreement between the service provider (The WB) and the users, establishes in its <i>Article XIX. Limited Warranty/Disclaimer of Warranties</i>, that the Registry is provided on an "As Is" basis at the User's sole risk, setting the warranty and liability limits for the registry services. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>

<p>7.9</p>	<p>Does the Programme Registry ensure the irreversibility of emissions unit cancellations and the designation of the purpose of emissions units cancellations, as per the requirements contained in Annex 16, Volume IV, and ETM, Volume IV⁹?</p>	<p><input checked="" type="checkbox"/> YES</p>
	<p>Describe how the Registry implements these provisions:</p>	
	<p>As it was explained in 7.4, cancellation is a permanent transaction; cancelled ER units are not allowed to be released out of the cancellation account (ER status changes from active to cancelled).</p> <p>As it was explained in 7.5, the specific cancellation information will be available under the third-party and CATS admin dashboards includes among others the quantity of ER units cancelled, the certification period, the start and end of the serial numbers, the date of cancellation, the programme code, unit type, host country, methodology, and the third-party cancelling the ERs from their accounts, under the specific transaction information that includes the global carbon ticket code assigned to the cancelled ER units (in reference to the SARPs provisions on the consolidated information for cancelled emissions units).</p> <p>According to section 4.2.2. (b) in Annex 16 to the Convention on International Civil Aviation, the designated Programme Registry must make visible on the registry’s public website the information on each of the aeroplane operator’s cancelled CORSIA eligible Emissions Units for a given compliance period. This information is available under the third-party and CATS admin dashboards and will be included in the reports as was explained in 7.6. CATS Registry public website will include the information on the volume of cancelled units by third-party published on a monthly basis.</p>	
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>	

⁹ Without prejudice to the aforementioned, such requirement would not prevent a Programme Registry from utilizing secure, time-bound and auditable methods for correcting unintentional user-entry errors.

	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the Cancellation of ER units process in detail and the specific information that will be available under the third-party and CATS admin dashboards referring to that transaction. It also includes the description of the global carbon ticket code assigned to each ER unit and discloses information on CATS Registry public webpage. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>
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7.10	a. Does the Programme Registry ensure that all cancellation information on its website is presented in a user-friendly format?	<input checked="" type="checkbox"/> YES
	b. Does the Programme Registry ensure that all cancellation information on its website is available at no cost and with no credentials required?	<input checked="" type="checkbox"/> YES
	c. Does the Programme Registry ensure that all cancellation information on its website is capable of being searched based on data fields?	<input checked="" type="checkbox"/> YES
	d. Does the Programme Registry ensure that all cancellation information on its website can be downloaded in a machine-readable format, e.g., .xlsx?	<input checked="" type="checkbox"/> YES
	Describe how the Registry implements each provision in rows a – d:	
	As explained in 7.5, 7.6, and 7.9, all cancellation information will be immediately available under the third-party and CATS admin dashboards (quantity of ER units cancelled, the start and end of the serial numbers, the date of cancellation, eligible emissions unit programme, unit type, host country, methodology, demonstration of unit date eligibility, and the third-party cancelling the ERs from their accounts). CATS Registry public website will in addition include the information on the volume of cancelled units by third-party and will be updated on a monthly basis. This information will be displayed in a user-friendly format (as all the platform was designed) (a) and will not require additional cost or credentials (b) . The platform has implemented search tools by fields (c) to easily locate and select the required information and, as was explained in 7.6, users can generate transaction reports in the form of pdf or excel (d) , on Monthly, Quarterly, Yearly & over customized period. Furthermore, users can also generate unit holding report on a specific date by clicking on the calendar icon.	
	In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i> .	
<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures. It describes the Cancellation of ER units process in detail and the specific information that will be available under the third-party and CATS admin dashboards referring to that transaction. It also includes the description of the global carbon ticket code assigned to each ER unit. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>		

	<p>The User Manual is the document describing step-by-step functions and tools for user’s system access and use, describes in detail all the platform search tools and the process to generate and download the user’s reports. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>
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7.11	<p>a. Will the Programme Registry retain documents and data relevant to CORSIA Eligible Emissions Units and cancellations on an ongoing basis and for at least three years beyond the end date of the latest compliance period in which the emissions unit programme is determined to be eligible?</p>	<input checked="" type="checkbox"/> YES
	<p>b. Will the Programme Registry retain documents and data relevant to CORSIA Eligible Emissions Units and cancellations consistent with the Programme’s long-term planning, including plans for possible dissolution?</p>	<input checked="" type="checkbox"/> YES
	<p>Describe how the Registry does or will implement each provision in rows a and b:</p>	
	<p>Yes, CATS Registry will retain documents and data relevant to CORSIA Eligible Emissions Units and cancellations for the period specified for monitoring of buffer (ISFL Buffer Requirements Version 2.0, April 2020). Under section 10.1: If an ER Program wishes to supply “CORSIA Eligible Emissions Units” (as defined under CORSIA), the ER Program shall have in place a robust Reversal Management Mechanism that: addresses the risk of Reversals beyond the Term of the ISFL ERPA; is equivalent to the ER Program ISFL Buffer as defined under paragraph 10.1; and shall be continually managed and operated by a “CORSIA Eligible Emissions Unit Programme” (or “Programme”, as defined under CORSIA) which administers comparable multi-decadal Programme elements that are included in the Programme's scope of eligibility from the end of the Term of the ISFL ERPA through the duration of the period referred to in 10.1(e); at least 15 years following the end of the ISFL ERPA Phase (a,b).</p>	
	<p>In the field below, provide link(s) to any web-based evidence of existing registry functionalities and/or of documents demonstrating business practices and procedures for the Programme Registry’s implementation of these provisions. Alternatively, or in addition, confirm that such evidence is included as an attachment to this <i>Emissions Unit Programme Registry Attestation</i>.</p>	
	<p>CATS (Carbon Assets Tracking System) Web: https://cats.worldbank.org/</p> <p>The Operational Guidelines is the key policy registry document to facilitate the implementation of the registry procedures, describes the generalities of the registry service provided. The document is accessible under the “Knowledge Center” at the CATS webpage.</p>	

Certificate Of Completion

Envelope Id: 9255EF2DB39741A9B3CFB3143F845CD0	Status: Completed
Subject: Please DocuSign: Programme Application Form Appendix D Emissions Unit Programme Registry Attest	
Source Envelope:	
Document Pages: 19	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	IBRD Carbon Finance
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	1818 H St NW
	Washington, DC 20433-0002
	IBRD-CarbonFinance@worldbank.org
	IP Address: 74.96.73.99

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Status: Original	Holder: IBRD Carbon Finance	Location: DocuSign
2/24/2022 8:13:04 PM	IBRD-CarbonFinance@worldbank.org	
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Signer Events

Signer Events	Signature	Timestamp
Bong Thi Le ble@worldbank.org World Bank Group Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Pre-selected Style Using IP Address: 123.16.158.9	Sent: 2/24/2022 8:13:04 PM Viewed: 2/25/2022 5:53:28 AM Signed: 2/25/2022 12:14:17 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Marc Sadler msadler@worldbank.org for the International Development Association Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Drawn on Device Using IP Address: 108.18.228.234 Signed using mobile	Sent: 2/25/2022 12:14:20 PM Viewed: 2/25/2022 1:19:29 PM Signed: 2/25/2022 1:19:53 PM
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Electronic Record and Signature Disclosure:
Accepted: 2/25/2022 1:19:29 PM
ID: cfdc1a14-1707-4689-988c-b70f709bccd1
Company Name: World Bank Group

In Person Signer Events

Signature	Timestamp
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Editor Delivery Events

Status	Timestamp
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Agent Delivery Events

Status	Timestamp
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Intermediary Delivery Events

Status	Timestamp
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Certified Delivery Events

Status	Timestamp
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Carbon Copy Events

Status	Timestamp
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Alejandra Bustamante abustamante@worldbankgroup.org World Bank Group Security Level: Email, Account Authentication (Optional)	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 2/24/2022 8:13:04 PM Viewed: 2/24/2022 8:13:04 PM Signed: 2/24/2022 8:13:04 PM
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
<p>Roy Parizat rparizat@worldbank.org Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 7/28/2021 2:02:41 PM ID: cda5a49c-f20e-46e3-b84c-575c411a7f6c Company Name: World Bank Group</p>	COPIED	<p>Sent: 2/25/2022 1:19:56 PM Viewed: 2/25/2022 1:23:16 PM</p>
<p>Andres Espejo aespejo@worldbank.org Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 8/19/2021 10:45:47 PM ID: d1cf22ab-ae7e-4e29-bc5e-0069c0256486 Company Name: World Bank Group</p>	COPIED	Sent: 2/25/2022 1:19:57 PM
<p>Maria Catalina Becerra Leal mbecerraleal@worldbank.org Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 2/25/2022 1:19:58 PM
<p>Julian Gonzalo Jimenez jgonzalojimenez@worldbank.org Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 2/25/2022 1:19:58 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/24/2022 8:13:04 PM
Certified Delivered	Security Checked	2/25/2022 1:19:29 PM
Signing Complete	Security Checked	2/25/2022 1:19:53 PM
Completed	Security Checked	2/25/2022 1:19:58 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

Electronic Disclosure Statement And Consent for E-Signature with a Relevant World Bank Group Organization [1]

1.0 Acknowledgement of Independent Vendor:

A relevant “World Bank Group Organization” means any of the following international organizations established by treaty among its member countries: International Bank for Reconstruction and Development (“IBRD”), International Development Association (“IDA”), International Finance Corporation (“IFC”), Multilateral Investment Guarantee Agency (“MIGA”), and International Centre for Settlement of Investment Disputes (“ICSID”).

By checking the ‘I agree’ box below in this Electronic Disclosure Statement and Consent for E-Signature (“Disclosure Statement and Consent”), you agree and understand that: (1) the e-signature service (the “Service”) is not owned or operated by any of the relevant World Bank Group Organizations in any way. Instead, the Service is owned, operated and maintained by an independent vendor; and (2) no relevant World Bank Group Organization is responsible or liable for the services provided by the independent vendor.

2.0 Agreement to Terms of Service and Privacy Policy:

When using the Service, you agree and understand that the Service’s [Terms of Service](#), including the [Service Privacy Policy](#), will govern your use of e-signature.

3.0 Limitation of Liability:

You agree and understand that your use of the Service with a relevant World Bank Group Organization is at your own risk.

You agree and understand that the relevant World Bank Group Organization expressly disclaims all warranties of any kind related to the site, the services and the materials, whether express or implied, including, but not limited to: (1) the implied warranties of merchantability; (2) fitness for a particular purpose; and (3) non-infringement. You agree to be solely responsible for any damage to your computer system or loss of data that results from use of the Service.

In no event will the relevant World Bank Group Organization or its licensors, business partners, contractors, collaborators, partners, agents, employees or the like be liable for any indirect, consequential, incidental, collateral, exemplary, punitive, reliance or special damages (including, without limitation, business interruption or loss of goodwill, data, revenue or profits), even if advised or made aware of the possibility of any such losses or damages and regardless of

whether the claim is based on contract, tort (including negligence, strict liability and willful and/or intentional conduct), warranty, indemnity or other theory of liability.

4.0 Remedies and No Warranty:

The relevant World Bank Group Organization makes no warranty that: (1) the Service will meet your requirements; (2) the Service will be uninterrupted, timely, secure or error-free; (3) any results or outcomes from the use of the service will be accurate or reliable; (4) the quality of the Service will meet your expectations; or (5) the Service, or its servers, or communications sent from the any of the relevant World Bank Group Organizations, will be free of viruses or other harmful elements.

You agree and understand that your sole course of action and exclusive remedy for any losses or damages incurred or suffered by you as a result of your use of the Service shall be to terminate your Service account and cease using the Service. Under no circumstances will you have any claim against any of the relevant World Bank Group Organizations for any losses or damages whatsoever arising out of or related to your use of the Service.

5.0 Preservation of Immunities.

Nothing in this Disclosure Statement and Consent shall constitute, be construed, or considered to be, a limitation upon or a waiver, renunciation or modification of any immunities, privileges or exemptions of any of the World Bank Group Organizations accorded under its respective Articles of Agreement, international Convention or any applicable law. Such immunities, privileges or exemptions are specifically reserved.

6.0 Additional Terms:

By checking the 'I agree' box below, you agree and confirm that:

- You understand that this Disclosure Statement and Consent governs only e-signature transactions or arrangements with a relevant World Bank Group Organization which may be subject to additional Service terms;
- You can access and read this Disclosure Statement and Consent; and
- You can print on paper the Disclosure Statement and Consent or save or send the same to a place where you can print it for future reference and access.
- With respect to IBRD and IDA, you (a) will always keep your e-mail address updated with the Service and follow instructions provided by the relevant World Bank Group Organization to keep your e-mail address updated with the Service as needed; and (b) understand that the minimum system requirements for using the Service may change

over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>

[1] This Electronic Disclosure Statement and Consent for E-Signature with a relevant World Bank Group Organization is to be used on a specific **transactional basis** and does not in any way or form purport to create an ongoing contractual relationship between the user of the Service, the independent vendor and any of the relevant World Bank Group Organizations.

OP 14.40 - Trust Funds

These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.

OP 14.40
July, 2008

Note: This operational policy statement replaces the statement dated February 1997, and the Operational Memorandum: *Use of Tied Trust Funds and Contacts with Trust Fund Donors*, dated June 16, 1998. It applies to all [Trust Fund Proposals](#) (TFPs) that are submitted to [Concessional Finance and Global Partnerships](#) (CFP) on or after July 1, 2008. This statement does not apply to reimbursable arrangements, [externally-financed outputs](#) (EFOs), arrangements under which the Bank provides administrative services but does not receive funds in trust, IDA grants, grants under the Bank's Institutional Development Fund, or grants under the Bank's Development Grant Facility.

1. A trust fund is a financing arrangement set up with contributions from one or more donors and, in some cases, from the World Bank Group. ¹ The Bank ² establishes and administers trust funds as a complement to IDA and IBRD financing to promote development and aid effectiveness by leveraging its capacity and development knowledge. The Bank encourages trust funds that draw on its operational role, include contributions from more than one donor, reinforce country capacity and ownership, and promote harmonization and alignment of donor aid modalities. Selectively, the Bank also provides specific administrative and financial services to the international community for trust funds that support work on issues of global importance and where the Bank may not perform an operational role.
2. The Bank accepts contributions from both sovereign and non-sovereign donors, and from the World Bank Group, provided that they meet criteria set out below. Trust funds do not extend any unfair advantages or benefits to the donor.
3. For each intended trust fund, the Bank decides whether to accept the role or responsibilities proposed, based on the following criteria:
 - (a) *Consistency with the Bank's Purposes and Mandate.* Activities financed from the trust fund are in keeping with the IBRD and IDA Articles of Agreement.
 - (b) *Strategic Relevance.* Activities financed from the trust fund are aligned with the Bank's strategies.
 - (c) *Risk Management and Controls.* The risks arising from the trust fund, including those arising from any conflicts of interest or any restrictions on its use, are explicitly considered and are judged to be acceptable and manageable by the Bank.
 - (d) *Governance.* The Bank has decision-making authority in the use of the funds adequate to fulfill its roles in administering the specific type of trust fund. ³
 - (e) *Nationality Restrictions on Procurement.* The Bank does not accept any contribution to a trust fund that imposes nationality restrictions on procurement (as distinct from nationality restrictions on recruitment, which may still be accepted ⁴).
 - (f) *Operational Efficiency and Sustainability.* Trust funds are of a sufficient size ⁵ to ensure efficient administration, and preferably are programmatic ⁶ in design. The Bank recovers the costs of performing agreed roles in administering a trust fund, taking into account benefits associated with such funding.
4. The Bank's roles in administering a trust fund can vary, depending on its type. The Bank always

performs some financial or administrative roles, and may also perform one or more operational or partnership support roles. Based on these roles, the Bank categorizes trust funds into three types:

- (i) *Recipient-Executed Trust Funds* (RETFs)—funds that the Bank passes on to a third party and for which the Bank plays an operational role—i.e., the Bank normally appraises and supervises activities financed by these funds; ⁷
- (ii) *Bank-Executed Trust Funds* (BETFs)—funds that support the Bank's work program;
- (iii) *Financial Intermediary Funds* (FIFs)—funds that involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services.

5. Trust funds involve three levels of administration—the trustee level at which funds are contributed, the program level at which they are allocated, and the disbursement level at which they are disbursed through grant accounts. While a grant account can be of only one type, at the trustee or program level a trust fund may be a hybrid—that is, it may involve more than one type.

6. The policies and procedures that apply to trust funds vary, depending on the trust fund type. ⁸ In cases of hybrid trust funds, the relevant policies and procedures apply to the type in effect for the grant account. Activities financed from RETFs are administered under the Operational Policies and Procedures that apply to IBRD and IDA financing; ⁹ smaller-size grants may be subject to simplified procedures. Activities funded by BETFs are administered in accordance with the Bank's Planning, Budgeting and Performance Management Manual and the Bank's Administrative Manual, both of which apply to the Bank's administrative budget. In the case of FIFs, the application of Operational Policies and Procedures, the Administrative Manual, financial policies, budget policies and procedures, or other procedures, is determined on the basis of the characteristics of each such fund. All types of trust funds are subject to [The World Bank Policy on Access to Information](#).

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1. "World Bank Group" includes IBRD, IDA, IFC, MIGA, and ICSID.
 2. "Bank" includes IBRD and IDA.
 3. See [paragraph 4](#) for the three types of trust funds.
 4. The only cases in which such nationality restrictions on recruitment are allowed are specific staff programs, such as those managed by the Human Resources Vice Presidency.
 5. See [BP 14.40 Annex A](#) for information on sufficient size.
 6. A programmatic trust fund finances multiple grants, under a two-stage mechanism. Initially, one or more donors agree to a thematic framework with criteria for supporting a program of activities. The donor(s) commit their funds to the trust fund on this basis. In the second stage, grants are approved for specific activities based on the agreed criteria.
 7. Activities under RETFs are normally financed through grants and executed or implemented by grant recipients. For the purposes of this footnote, execution includes, inter alia, procurement of goods and services, negotiating contracts, making payments, submitting progress and financial reports, and performing other implementation activities as under a Bank-financed project. The Bank does not execute activities financed by trust funds that cofinance projects which also receive IBRD loans or IDA credits or grants. However, the Bank may consider executing activities under an RETF grant on behalf of the grant recipient in exceptional circumstances—for example, if the recipient is a new member country or inactive borrower, or its administrative capacity has been adversely affected by civil strife, crises or other emergencies – or for start-up activities referred to in [OP 10.00, Investment Project Financing](#), or in Board-approved resolutions for trust funds that specifically permit Bank execution of such activities. In all such cases, and to the extent practicable, the Bank avoids execution of activities where such execution may undermine country ownership or pose undue conflicts of interest, liability issues or reputational risk for the Bank. Also in all such cases, administration of the funds (and execution of activities) is subject to the Planning, Budgeting and Performance Management Manual, the Administrative Manual, and relevant Bank Operational Policies.
 8. For guidance and good practice on trust funds, refer to the Trust Fund Handbook and the [trust funds website](#).
 9. These include the Bank's framework regarding governance and anti-corruption. The approval process for grants, however, is determined by the approved [Trust Fund Proposal](#) (TFP) (see [BP 14.40](#)) and the legal agreements that govern the trust fund.