



SOCIO-ENVIRONMENTAL SAFEGUARDS  
ANALYSIS TOOL, V2.0  
CERTIFICATION PROGRAM  
TERO CARBON AVALIAÇÕES E CERTIFICAÇÕES S.A.



**SOCIO-ENVIRONMENTAL SAFEGUARDS**  
**ANALYSIS TOOL**  
**VERSION 2.0**  
**CERTIFICATION PROGRAM**

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**TERO CARBON AVALIAÇÕES E CERTIFICAÇÕES S.A.**



## IDENTIFICATION

<b>DOCUMENT</b>	Socio-Environmental Safeguards Analysis Tool
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<b>PROGRAM</b>	All
<b>SECTOR</b>	All
<b>TYPE</b>	All

## LIST OF ACRONYMS

<b>CAR</b>	Environmental Rural Registry, in Portuguese, <i>Cadastro Ambiental Rural</i>
<b>FUNAI</b>	National Indian Foundation, in Portuguese, <i>Fundação Nacional do Índio</i>
<b>FPIC</b>	Free, Prior, and Informed Consultation
<b>IBAMA</b>	Brazilian Institute of Environment and Renewable Natural Resources, in Portuguese, <i>Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis</i>
<b>IL</b>	Indigenous Lands
<b>INCRA</b>	National Institute for Colonization and Agrarian Reform, in Portuguese, <i>Instituto Nacional de Colonização e Reforma Agrária</i>
<b>INPE</b>	National Institute for Space Research, in Portuguese, <i>Instituto Nacional de Pesquisas Espaciais</i>
<b>MMA</b>	Ministry of the Environment, in Portuguese, <i>Ministério do Meio Ambiente</i>
<b>MP</b>	Public Prosecutor's Office, in Portuguese, <i>Ministério Público</i>
<b>NBS</b>	Nature-based Solutions
<b>PDD</b>	Project Design Document
<b>REDD+</b>	Reducing Emissions from Deforestation and Forest Degradation, including the conservation and enhancement of carbon stocks
<b>SICAR</b>	National Rural Environmental Registry System, in Portuguese, <i>Sistema Nacional de Cadastro Ambiental Rural</i>
<b>SIGEF</b>	Land Management System, In Portuguese, <i>Sistema de Gestão Fundiária</i>
<b>TBS</b>	Technology-based Solutions
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>VVB</b>	Validation/ Verification Body



## LIST OF PROGRAMS

Certification Program
Methodologies Program
Assets Program



## LIST OF SUPPORTING DOCUMENTS

NAME	PROGRAM
Definitions	All



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## 1. INTRODUCTION

In the context of the voluntary carbon market, emission reduction or removal projects are vital tools for climate change mitigation. However, their success depends not only on technical integrity but also on the respect for human rights, equity in the distribution of benefits, and the mitigation of socio-environmental risks. This document establishes mandatory safeguards for Nature-Based Solutions (NBS) and Technology-Based Solutions (TBS) projects, in both public and private areas, ensuring that positive impacts are measurable, transparent, and inclusive.

These safeguards are based on international principles, such as the debates generated by Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects, the guidelines of the United Nations Framework Convention on Climate Change (UNFCCC), and recommendations from the Ministry of the Environment (MMA).

Additionally, the integrated and participatory approach aims to meet the demands of projects involving indigenous, traditional, and quilombola communities. This perspective also extends to agricultural projects, where it is essential that property owners are informed about the initiative and share the information with their employees and the local community.

The safeguards presented here serve as a practical guide for project developers, detailing verifiable criteria that allow Validation/Verification Bodies (VVBs) to assess the socio-environmental compliance of each initiative.

## 2. OBJECTIVE

The objectives of this document are as follows:

1. **Provide a Clear Regulatory Framework:** Present a comprehensive set of socio-environmental safeguards applicable to environmental asset projects, whether they are carried out in public or private areas, covering both NBS and TBS initiatives.
2. **Disseminate Global Best Practices:** Guide project developers based on the best international and national practices, promoting

transparent, participatory processes aligned with the standards of the voluntary carbon market.

3. **Enable Effective Verification by VVBs:** Structure objective verification criteria for each safeguard, allowing VVBs to assess compliance in an efficient and accurate manner.
4. **Promote Equity and Adaptability:** Balance universal requirements (applicable to all projects) with safeguards specific to sensitive contexts (e.g., public areas with traditional communities).

### 3. UNIVERSAL SAFEGUARDS

Universal safeguards apply to all projects (NBS, TBS, public or private):

#### **3.1 Participation and Agreement of Proponents and Stakeholders**

- **Transparency in Credit Distribution:** All proponents and stakeholders must be informed about their participation in the project, including the percentage of carbon credits they are entitled to compared to other participants. This information must be documented and formally accepted by all parties.
- **Clear Definition of Roles and Responsibilities:** Each participant must have their role clearly defined, ensuring proper governance of the project.
- **Commitment to the Voluntariness of the Project:** All involved must voluntarily acknowledge and accept the project's terms and conditions.
- **Engagement with the Community and Surroundings:** It is good practice for the project to involve the neighborhood and local actors, promoting positive impacts with the community and surrounding areas.

Verification Criteria (VVBs):

- Confirm the existence of signed documents by all involved parties.



- Verify if participants understand their roles and benefits through interviews or questionnaires.

### **3.2 Social and Environmental Impact Assessment**

- **Initial Diagnosis:** A preliminary analysis must be conducted to gather information on the current socio-environmental status ( $T_0$ ), identify indicators and evidence to monitor the project's social and environmental impacts and its surroundings (if applicable).
- **Continuous Monitoring:** The project must establish monitoring mechanisms to evaluate socio-environmental impacts over time and mitigate risks.

#### Verification Criteria (VVBs):

- Confirm the existence of technical socio-environmental diagnostic reports.
- Verify if the monitoring of socio-environmental indicators is included in the Monitoring Plan (validation) or reported in the Monitoring Report (verification) of the project.

### **3.3 Contract Flexibility**

- All contracts related to the project (e.g., agreements with rural landowners, traditional communities, indigenous groups) must include flexibility clauses, allowing for periodic or extraordinary revisions, provided they are justified by:
  - Changes in the socio-environmental conditions of the territory.
  - Demands from traditional communities, indigenous groups, or other affected parties.
  - New legal or technical regulations.
- The revisions must be documented and signed by all parties, ensuring transparency and voluntary adherence.

#### Verification Criteria (VVBs):

- Verify the existence of flexibility clauses in the contracts.

- Confirm, through interviews, whether the parties understand the revision mechanisms.

### **3.4 Cancellation of CAR in Overlap (NBS, only)**

- Private NBS Projects:
  - Identify and request the competent environmental agency (e.g., state secretariats, IBAMA, etc.) to validate the CAR of the project's property and cancel any overlapping CARs on the project's area.
  - Verify the land regularity of the property, ensuring no conflicts with third parties.
- Public NBS Projects:
  - Notify the responsible government agency or entity about the overlap of CARs on public assets (e.g., state forests, protected areas).
  - Ensure that the project area is free from irregular records before validation.

#### Verification Criteria (VVBs):

- For private projects: Require proof of the request for validation and/or cancellation of the overlapping CAR.
- For public projects: Verify the official cancellation document issued by the managing agency.
- Cross-reference georeferenced data from the project with systems such as SICAR or SIGEF.

## **4. SPECIFIC SAFEGUARDS FOR NBS PROJECTS IN PUBLIC AREAS**

### **4.1 State Approval**

Carbon projects in public areas (e.g., state forests, conservation units, environmental protection areas) require formal approval from the state agency responsible for the area (federal, state, or municipal). The approval must be issued through:

- A public ordinance or decree, published in the official gazette.
- A specific authorization document, with the official stamp and signature of the legal representative of the agency.

The approval decision must be publicly disclosed, ensuring that information is accessible to any citizen. The approval document must explicitly detail:

- The geographical boundaries of the project.
- Socio-environmental conditions (e.g., land use restrictions, activities planned within the project).
- The validity period of the authorization.

The responsible state agency must participate in the project's monitoring committees, with voting rights on strategic decisions. For projects involving public resources, a public hearing is mandatory for prior discussion with society.

Verification Criteria (VVBs):

- Confirm the existence of the approval document, with legal validity and publication in the official gazette.
- Verify if the managing agency is actively involved in the project (e.g., meeting minutes, monitoring reports).
- Check if the conditions imposed by the state are being complied with.

## **4.2 FUNAI Approval for Indigenous Lands**

The implementation of projects in Indigenous Lands (ILs) requires prior and formal approval from the National Indian Foundation (FUNAI), issued by its Specialized Legal Department. The approval must be binding and include specific conditions for the protection of indigenous rights (e.g., sustainable use of resources, land demarcation).

FUNAI must be actively involved in all stages of the project, including:

- Negotiation and drafting of contracts.
- Technical and operational discussions.
- Monitoring of activities and benefit sharing.

#### Consultation with Indigenous Communities:

- FUNAI's approval does not replace the obligation to conduct Free, Prior, and Informed Consultation (FPIC) with the affected indigenous communities.
- If necessary, the project terms must be translated into the local indigenous languages and adapted to cultural protocols.

#### Verification Criteria (VVBs):

- Require the original approval letter from FUNAI, with the official stamp and signature of the responsible legal representative.
- Verify the presence of FUNAI representatives in meeting minutes and contracts.
- Confirm that the conditions imposed by FUNAI have been fully met.

### **4.3 Free, Prior, and Informed Consultation**

Before the implementation of any environmental asset project and throughout its execution, Free, Prior, and Informed Consultations (FPIC) must be conducted with the affected communities. The FPIC must be coordinated by the public entity responsible for managing the area (e.g., Secretariat of the Environment, ICMBio) in conjunction with legitimate representative institutions (e.g., FUNAI for Indigenous Lands, INCRA for quilombola communities).

A public hearing is mandatory for projects in public areas that affect traditional communities. The hearing must:

- Be held before the project validation.
- Ensure in-person or virtual participation of all stakeholders.
- Use culturally appropriate language and methods (e.g., translators, participatory dynamics).

#### Who Signs the FPIC:

- I. Affected communities: Legally recognized representatives (e.g., indigenous leaders, quilombola association).
- II. Public management entity: Legal representative (e.g., ICMBio director, municipal environment secretary).
- III. FUNAI/INCRA: When applicable, as mediators in Indigenous Lands or quilombo communities.

The FPIC document must be registered in a notarized record or a public document, detailing:

- Date, location, and participants of the consultation.
- Summary of discussions, concerns, and agreements.
- Commitments made by the developer.

Regarding the consultation content, the developer must present:

- Objectives, risks, and benefits of the project.
- Georeferenced map of the affected area.
- Benefit-sharing plan.

Communities must be given sufficient time (at least 60 days) to analyze the information and deliberate.

Verification Criteria (VVBs):

- Require the public hearing minutes with a participant list and signatures of representatives.
- Verify if the FPIC document includes:
  - Signatures of community leaders.
  - Official stamp and signature of the public management entity.
  - Confirm that the community's demands have been incorporated into the project (e.g., adjustments to the mitigation plan).

#### **4.4 Benefit Sharing**

The benefits generated by the environmental asset project(s) must be shared fairly and equitably among the involved parties, including local communities. It is essential that this sharing respects the autonomy of the communities and acknowledges their role as “guardians of biodiversity”.

The project must allocate at least 50% of the financial benefits to directly affected traditional, indigenous, or quilombola communities. Additionally, it must ensure that community projects are agreed upon through participatory assemblies.

It is also recommended to establish a community fund managed by a local council (composed of community representatives, government, and the developer) for resource management.

Verification Criteria (VVBs):

- Verify the minutes of assemblies that defined the use of resources.
- Audit the accounting records of the community fund.

#### **4.5 Social and Environmental Impact Assessment**

Comprehensive assessments of the social and environmental impacts of environmental asset projects must be conducted. These assessments should identify, foresee, and mitigate any adverse effects, ensuring that the projects promote sustainable development and the well-being of the communities involved.

Verification Criteria (VVBs):

- Verify that the studies include disaggregated indicators by gender and ethnicity.
- Audit ecosystem valuation calculations based on recognized methodologies.

#### **4.6 Right to Protection of Territory**

Environmental asset projects must respect the territorial rights of indigenous, traditional, and quilombola communities. This includes land demarcation and protection, as well as ensuring that these communities can exercise their traditional ways of life without external interference.

The project must present its Participatory Cultural Zoning, with the map created in collaboration with the communities, indicating areas of restricted use (e.g., sacred sites, hunting zones) and allowed uses for the project.

Verification Criteria (VVBs):

- Audit cultural zoning maps and compliance reports.
- Verify evidence that the maps were developed in a participatory manner.
- Verify reports of invasions or interference through the project's reporting systems.

## **4.7 Administrative Law Regime and State Monitoring**

Environmental asset projects must be implemented under an administrative law regime, with mandatory state monitoring. This regime must ensure the protection of public goods and the rights of communities, preventing land grabbing and other forms of improper appropriation. The requirements for compliance are:

### ***1. Mandatory Legal Framework***

All projects must follow the national and state administrative law regulations.

### ***2. Continuous State Monitoring***

Competent public bodies (e.g., Public Prosecutor's Office, ICMBio, State Environmental Secretariats) must monitor the project's execution at all stages (planning, implementation, monitoring).

### ***3. Approval of Technical Reports and Risk Mitigation Plans***

In public areas, the project must be subject to periodic public hearings to provide accountability to society.

### ***4. Protection of Public Goods***

Implement mechanisms to prevent land grabbing, invasions, or improper use of public lands, such as:

- Accurate georeferencing with certification from INCRA.
- A system for alerting irregular occupations (e.g., integration with satellites from the National Institute for Space Research - INPE).

### ***5. Transparency in Management***

Make publicly available:

- Contracts, licenses, and authorizations.
- Reports from audits carried out by the state.
- Data on benefit sharing and use of public resources.

Verification Criteria (VVBs):

- Require official approval documents issued by the competent bodies (e.g., environmental licenses, partnership terms).
- Verify the holding of public hearings and the incorporation of social demands into the projects.
- Confirm the absence of fines or embargoes for land irregularities.

## **5. PROCEDURE FOR FREE, PRIOR, AND INFORMED CONSULTATION (PUBLIC AREAS)**

### **5.1 Coordination and Organization**

The implementation of free, prior, and informed consultations is mandatory for projects conducted in public areas involving indigenous, traditional, and quilombola communities. These consultations must be coordinated by the competent public entity, in collaboration with relevant authorities such as the Public Prosecutor's Office (MP) and, for indigenous and quilombola communities, FUNAI and the National Institute for Colonization and Agrarian Reform (INCRA).

### **5.2 Disclosure and Participation**

It is essential to ensure that free, prior, and informed consultations are widely disclosed using communication channels appropriate to the locality of the project. The disclosure aims to ensure the effective participation of stakeholders, promoting transparency and legitimacy in the process.

### **5.3 Documentation and Final Opinion**

During the free, prior, and informed consultations, the project developer must present the project, clarify doubts, and document all suggestions and considerations presented. At the end of the process, the competent public authority, together with the key stakeholders, must issue an opinion on the project's implementation, including possible recommendations. This opinion must be attached to the final consultation documentation and the DCP (Project Development Certificate) and will be considered during the project's validation phase.





## VERSION HISTORY

VERSION	DATE	NOTES
2.0	04/01/2025	Update of the tool name, layout adjustments, and structural changes to the document, including the inclusion of TBS and private projects, as well as the addition of checklists for VVBs.
1.0	08/19/2024	Initial version approved by the Management and released for public consultation.