
# Tool for assessing carbon project proposals in AFOLU sectors for the voluntary carbon market (VCM)

This voluntary tool is aimed at Sida staff, programme officers and advisors who deal with agricultural, forestry and other land based (AFOLU) proposals with a carbon component. Even though the tool is adapted for the AFOLU sector, it can be used to evaluate carbon projects in other sectors. It provides guidance on how to assess carbon projects that can actively contribute to protection of biodiversity and livelihoods, in line with the UNDP integrity framework. This was developed by Vi Agroforestry's Carbon Expert Desk.

*All photos taken by Epic Motions.*

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## Purpose

The purpose of this tool is to support Sida staff, programme officers and advisors to:

- strengthen their knowledge and analysis on carbon project development and increase the capacity to assess proposals, with particular focus on benefits for people living in poverty and their livelihoods through the development of responsible, holistic, and inclusive carbon project design and implementation.
- ensure that carbon-crediting projects considers transparency, accountability, continuous improvement, environmental integration, and the overall quality of carbon credits.

## How to use this tool?

Every question in this tool is important.

- Sections 1–2 help you gather general information about the project and its context.
- Section 3–4 focus on key criteria for ensuring high integrity in carbon project proposals.

If any question is left unanswered or receives a “no” response, Vi Agroforestry recommends using the tool as a format to initiate a discussion with the project proponent. This conversation helps ensure that important aspects of the project are fully addressed and understood.

## Limitations

For this initial tool we have prioritised program officers who manage projects/programmes (based on the queries from Sida and embassy program officers). The tool is also applicable and useable for other stakeholders assessing carbon project proposals. This tool is a complement and not a replacement for any environmental or socioeconomic assessments required by the user. We have identified various actors across the carbon market value chain that would require separate tools to make questions relevant since they enter carbon markets from different angles:

1. Project managing program officers – who assess carbon project proposals.
2. Project developers who design AFOLU carbon projects.
3. Project implementors who implement AFOLU carbon projects.
4. Investors that provide necessary capital to develop carbon projects.
5. Input for standard and audits development (developers of standards).
6. Carbon credit retailers who want to assess quality of projects to sell credits from.
7. End users (companies, public agencies) that want to purchase carbon credits and evaluate the quality of the projects where the credits originate from.

# Section 1: Project background

1.1

## Which activity or activities in the proposed project will generate carbon credits?

a) Agriculture (soil, agroforestry, livestock etc)
b) Forestry (conservation, reforestation, afforestation etc)
c) Energy (cooking stoves, renewables, efficiency etc)
d) Other

1.2

## Is carbon credits creation the main objective of the project?

Yes
No

1.3

## If yes (in 1.2), are there additional objectives?

a) Social aspects (livelihood improvement, gender etc.)
b) Financial revenue (for investors, local community, etc.)
c) Environmental (biodiversity, soil health etc.)
d) Other

1.4

## If no (in 1.2), what is the main objective?

a) Social aspects (livelihood improvement, gender etc.)
b) Financial revenue (for investors, local community, etc.
c) Environmental (biodiversity, soil health etc.)
d) Other

1.5

**Setting up a carbon project requires a feasibility assessment addressing some key issues. Has there been a feasibility assessment of the proposed carbon project when it comes to basic principles within climate mitigation projects, including the following criteria:**

a) ☐ Eligibility
b) ☐ Additionality
c) ☐ Baseline
d) ☐ Permanence
e) ☐ Leakage

1.6

**Carbon projects have a longer timeframe compared to development projects. Does the proposal reflect on the potential risks and mitigation strategies in relation to longevity?**

☐ Yes
☐ No

1.7

**Which phase is the project currently in?**

☐ Initial phase (developing idea, involving partners, investigation of climate mitigation scoop)
☐ Technical phase (eligibility study, additionality study, baseline study, project design development)
☐ Approval phase (validation of project from standard, registry, govt, UN)
☐ Implementation phase (signing contracts, setting up monitoring systems, initiating activities, recruiting farmers, establishing nurseries)


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1.8

**Has the proposal clearly identified which organisation for each role across the project lifecycle? Please list the name of the organisation assigned to each role**

a) Project proponent

b) Implementing partner

c) Monitoring and reporting partner

d) Carbon crediting standard

e) Entity selling the carbon credits

f) Others

# Section 2: Context of the project

# a) Geographical context

**2.1**

**Are the local environmental conditions clearly described?**

- Not described
- Partially described
- Clearly described

**2.2**

**Are the local socioeconomic conditions clearly described?**

- Not described
- Partially described
- Clearly described

**2.3**

**What are the proposed land use and/or land cover changes resulting from the project?**

**2.4**

**How does these land use and/or land cover changes impact different involved stakeholders? Provide a short description for each local actor.**

a) Project beneficiaries

b) Local communities

c) Others

## b) National regulations and frameworks

**2.5**

**Does the country/ jurisdiction have policies, strategies, regulative and legal requirements for the voluntary carbon market and carbon trading?**

- Yes
- No

**2.6**

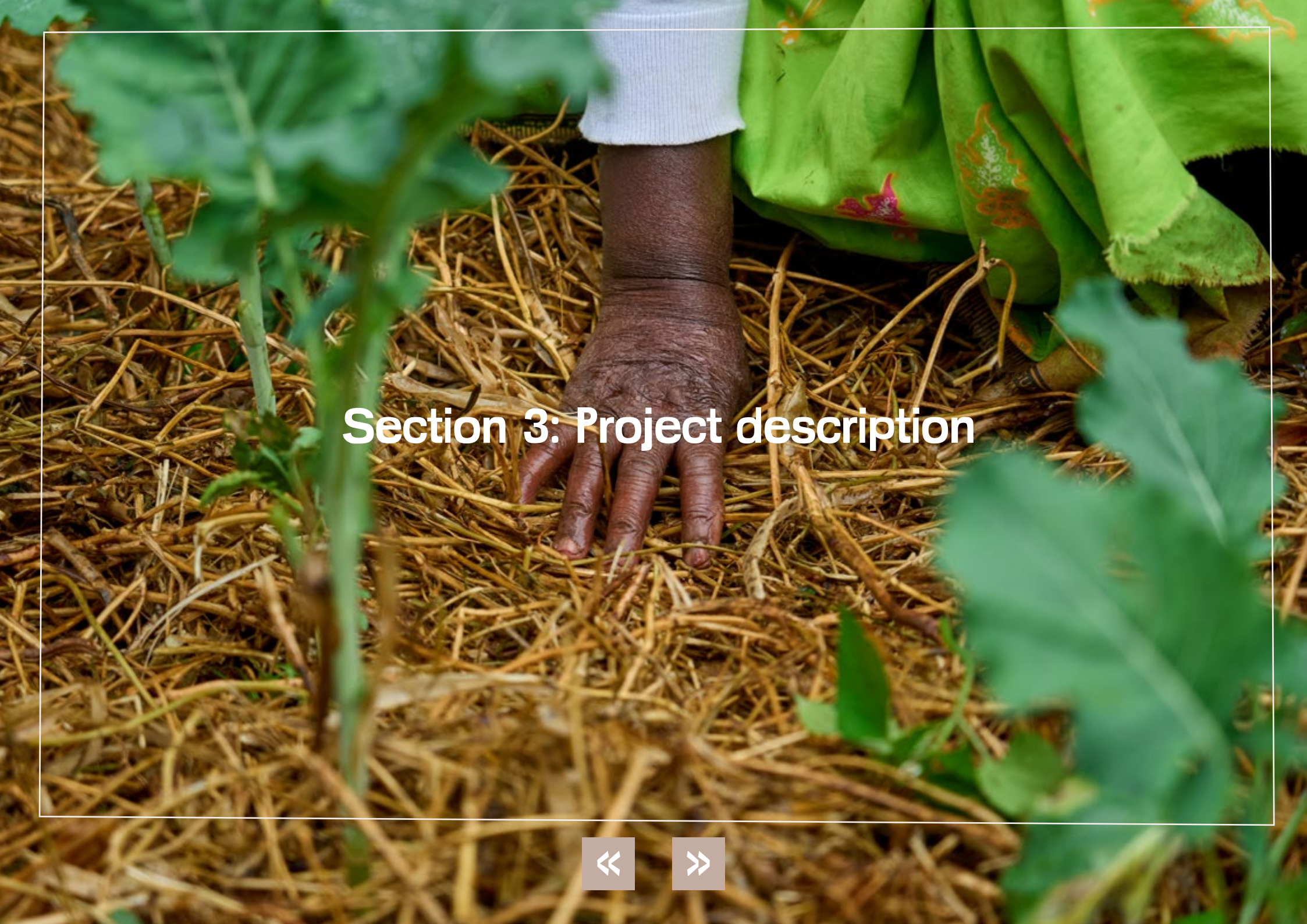
**If yes, does the project developer meet the requirements?**

- Yes
- No

**2.7**

**Are the other relevant national and regional regulations taken into consideration in the project proposal, i.e. land classification, land tenure, land use requirements)?**

- Not considered
- Partially considered
- Considered



# Section 3: Project description

# a) Social risks and benefits

**3.1**

## Are there mechanisms in place to monitor and evaluate the socioeconomic impact of the project?

a) ☐ for project participants

b) ☐ for the community (when the whole community is not participating in the projects)

**3.2**

## Are the other relevant national and regional regulations taken into consideration in the project proposal, i.e. land classification, land tenure, land use requirements)?

- Not consulted
- Mentioned only
- Integrated into project planning and implementation

**3.3**

## Have those without formal titles to the land been consulted in development of the project (which is often the majority)?

*For example, women and youth at household level, and other marginalised groups.*

- Not consulted
- Mentioned only
- Integrated into project planning and implementation

**3.4**

## Have non-participating groups been consulted in development of the project?

*For example, landowners who either do not meet the eligibility criteria (e.g. minimum land size) or those who choose not to participate*

- Not consulted
- Mentioned only
- Integrated into project planning and implementation

# a) Social risks and benefits

**3.5**

## Are the expected socioeconomic benefits of the project aligned with the needs and priorities of local communities?

*Note that different groups within the community may have different needs and priorities.*

- Not addressed
- Mentioned only
- Integrated into project planning and implementation

**3.6**

## Is there a plan for communication and information sharing with the participants over the projects period and does it include the following:

- a) Project purpose
- b) Project timeframe (long-term commitment)
- c) Results
- d) Lessons learned

**3.7**

## Does the project proposal include a grievance and feedback mechanism for the participants?

- Not included
- Mentioned only
- Integrated into project planning and implementation

**3.8**

## In relation to the agreement with the project participants, which of the following statements are correct?

- a) The signed agreement is available in the local language
- b) The agreement clearly states the requirements of the project's participants
- c) The agreement clearly state the requirements of the projects owners
- d) Does the project participant have an option to cancel the agreement?

# a) Social risks and benefits

**3.9**

**What support can the landowner expect from the project in the implementation phase?**

a) ☐ Planting material
b) ☐ Capacity development
c) ☐ Nursery development
d) ☐ Other

**3.10**

**What support can the landowner expect from the project in the implementation phase?**

a) ☐ Extra support if the targets are not met
b) ☐ Reestablishment of trees
c) ☐ None of the above

**3.11**

**Does the project proposal include a benefit-sharing mechanism? If yes, how is it designed?**

☐ Yes
☐ No

# a) Social risks and benefits

3.12

**Is there a plan to handle potential conflicts related to the benefit-sharing mechanism?**

*Note if the project plan considers both project participants and the wider communities.*

- Yes
- No

3.13

**To what extent are secure land tenure rights for land users addressed in the project design?**

- Not addressed
- Mentioned only
- Integrated into project planning and implementation

3.14

**Does the project include an assessment to ensure participants retain enough land for household food production and other livelihood activities?**

- Not addressed
- Mentioned only
- Integrated into project planning and implementation

3.15

**How is the landowner's autonomy addressed in the project proposal? This can include – but is not limited to – freedom to exit the project, autonomy to select tree species and crops, harvest and replanting.**

## a) Social risks and benefits

*Elizabeth Nekesa, agroforestry farmer*

3.16

**Have rights of marginal groups and Indigenous People and Local Communities (IPLCs) been addressed in planning and communication with local communities? (This should be included before any agreements are signed. Look for reference to Free Prior and Informed Consent (FPIC)).**

- Not addressed
- Mentioned only
- Integrated into project planning and implementation

3.17

**Does the project proposal include a gender analysis?**

- Not addressed
- Mentioned only
- Integrated into project planning and implementation

## b) Environmental impacts – risks and benefits

**3.18**

**Has a baseline assessment of carbon stocks been conducted for the project area, including both soil organic carbon (SOC) and biomass carbon?**

*Note that this is mandatory in AFOLU carbon projects if you follow a carbon crediting standard.*

- [ ] Yes
- [ ] No

**3.19**

**Has the project conducted an analysis of the current environmental situation in the project area? If yes, which one of these aspects are considered?**

- a) [ ] None
- b) [ ] Biodiversity
- c) [ ] Water quality, access or availability
- d) [ ] Use of pesticides or herbicides
- e) [ ] Deforestation
- f) [ ] Natural resource restoration/degradation (soil, pasture and so on)
- g) [ ] Other

**3.20**

**Has the project conducted an environmental and socioeconomic impact assessment (ESIA)?**

- [ ] Yes
- [ ] No

*Metrine Wanjala, smallscale farmer Kenya*

## b) Environmental impacts – risks and benefits

**3.21**

### Which *direct* positive environmental impacts, beside the mitigation activity, does the project anticipate?

- a) ☐ Biodiversity
- b) ☐ Water quality, access or availability
- c) ☐ Reduction of the use of pesticides or herbicides
- d) ☐ Reduced deforestation
- e) ☐ Natural resource restoration (soil, pasture and so on)
- f) ☐ Other

**3.22**

### Which *direct* negative environmental impacts does the project anticipate?

- g) ☐ Biodiversity
- h) ☐ Water quality, access or availability
- i) ☐ Use of pesticides or herbicides
- j) ☐ Deforestation
- k) ☐ Natural resource degradation (soil, pasture and so on)
- l) ☐ Other

## b) Environmental impacts – risks and benefits

**3.23**

**Does the project anticipate indirect environmental impacts? If yes, include both positive and negative impacts.**

*Note that the technical term for indirect impact is "leakage".*

- [ ] Yes
- [ ] No

**3.24**

**Does the project proposal include mitigation activities for the identified risks (i.e. negative direct and indirect environmental impacts).**

- [ ] Yes
- [ ] No

## c) Capacity of Project Developer

**3.25**

**Does the project developer have long-term engagement in the country, the area, and with target communities?**

- ☐ Yes
- ☐ No

## d) Standards and principles for good practice

**3.26**

**Carbon crediting standards include methodologies for quantification of emission reduction and removals. Which standard or principles for high-integrity projects does the project proponent work with?**

- a) ☐ None
- b) ☐ VCS
- c) ☐ Gold Standard
- d) ☐ Plan Vivo
- e) ☐ Carbon Core Principles
- f) ☐ ART-TREES
- g) ☐ San José Principles
- h) ☐ Other

## d) Standards and principles for good practice

**3.27**

Does the project developer have long-term engagement in the country, the area, and with target communities?

- [ ] Yes
- [ ] No

**3.28**

Will documentation from different project stages (PDD, verification, annual reports and so on) be available for the general public? This is important to maintain transparency

- [ ] Yes
- [ ] No

*Phylis Waraba, Kenya*


Section 4: End-use(r)

4.1

Who are the intended buyers of the carbon credits, and are there purchase agreements in place already?

4.2

Does the project state any intended requirement and control mechanism for the end user of the credits?

- [ ] Yes
- [ ] No

# Disclaimer

This tool is a beta version and remains a work in progress. It has been made publicly available to support early adoption and gather valuable feedback before the final version is published. While we have taken care to ensure accuracy and relevance, this document is subject to revision based on expert input and user feedback. We encourage users to share insights and suggestions to enhance clarity, applicability, and effectiveness. If you have feedback or recommendations, please contact linnea.pasquier@viskogen.se or expertdesk@viskogen.se

# Glossary

- **Additionality**
  Demonstrates that the climate benefits of a project (such as emission reductions or carbon removals) would not have occurred without the project's implementation.

- **Baseline**
  The reference scenario representing emissions or carbon stocks in the absence of the project. It serves as the benchmark for measuring the project's impact.

- **Carbon Crediting Standard**
  A set of rules and methodologies (e.g., Verra VCS, Gold Standard, Plan Vivo) that govern how carbon credits are generated, quantified, and verified.

- **Eligibility**
  Determines whether a project meets the fundamental criteria to participate in a carbon crediting program or standard.

- **End User**
  The final purchaser or beneficiary of the carbon credits generated by the project.

- **FPIC (Free, Prior and Informed Consent)**
  A principle ensuring that Indigenous Peoples and Local Communities are fully informed and voluntarily consent to activities that may affect their lands, resources, or rights - prior to project initiation.

- **Grievance and Feedback Mechanism**
  A formal process enabling stakeholders and project participants to raise concerns or complaints and receive timely, transparent responses.

- **Leakage**
  Occurs when project activities unintentionally lead to increased emissions or negative environmental impacts outside the project boundary (e.g., deforestation shifting to nearby areas).

- **Longevity**
  Refers to the expected duration of the project's climate benefits, particularly the persistence of carbon storage over time.

- **Permanence**
  The degree to which carbon benefits (such as stored carbon) are maintained over time and not reversed due to events like deforestation or land-use change.

- **Permanence Risk**
  The potential for carbon benefits to be lost, for example, through tree harvesting or land conversion.

- **Standard/Principles for High-Integrity Projects**
  Frameworks or guidelines (e.g., ICVCM Core Carbon Principles, ART-TREES, San José Principles) that promote transparency, credibility, and real climate impact in carbon crediting initiatives.

- **Third-party Validation and Verification Organization**
  An independent, accredited entity responsible for assessing whether a project meets the requirements of a carbon standard and for verifying reported outcomes.