Open Impact Standard for Carbon Credit Projects

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Preamble

Natureblocks is committed to providing an open standard for carbon credit projects that ensures high levels of transparency, credibility, and scalability using blockchain technology. The Open Impact Standard (OIS) is designed to cater to project developers, validators, verifiers, and methodology developers, streamlining the carbon credit creation and verification process. It is vital that the Open Impact Standard is both robust and collaborative to support the ongoing evolution of the carbon credit market.

Core Principles

1. Environmental Integrity: The OIS aims to ensure credibility and transparency of the environmental contributions made by carbon credit projects. All projects under OIS must demonstrate real, measurable, and verifiable greenhouse gas (GHG) emission reductions.

2. Sustainability: Projects under the OIS should pursue positive environmental, social, and economic benefits, and should be in line with the United Nations Sustainable Development Goals.

3. Transparency: The OIS promotes a transparent system where project-related information, documents, and methodologies are easily accessible to stakeholders, reducing the opportunities for fraud and mismanagement.

4. Decentralization: Using the blockchain, the OIS allows for a decentralized approach to decision-making and approvals for methodologies and

projects. Decision-making authority is given to the holders of the Open Impact Standard Governance Token (OISGT), ensuring a more diverse set of stakeholders participate in the decision-making process.

5. Innovation: The OIS encourages continuous improvement and innovation of carbon reduction and removal methodologies to create a more efficient and scalable market for carbon credits.

Core Requirements for Approved Carbon Projects

In order to be approved under the Open Impact Standard, a carbon project must adhere to the following 5 core tenets:

1. Real: The project must demonstrate that the carbon reductions and/or removals are genuine and have a tangible impact on the environment. The reductions must result in an actual decrease in GHG emissions.

2. Measurable: The project must use accurate and reliable methodologies to quantify the carbon reductions and/or removals. This ensures that the estimated carbon credits are consistent and comparable across projects.

3. Clear Ownership: The project must clearly define and establish the ownership of the carbon credits generated to avoid double counting and overlapping claims. This is essential for maintaining the credibility and integrity of the carbon credit market.

4. Permanent: The project must ensure that the carbon reductions and/or removals have a lasting impact on the environment. This may involve ongoing monitoring, reporting, and verification processes to confirm the longevity of the project's impact and address any potential reversals.

5. Additionality: The project must demonstrate that the carbon reductions and/or removals would not have occurred in the absence of the project, i.e., they go beyond "business as usual" operations. This is crucial to ensure that carbon credits generated by the project represent a real, new, and increased effort toward mitigating climate change.

To maintain the credibility and effectiveness of the OIS, it is essential for all participants involved in the carbon credit market to adhere to the above principles and requirements. The OIS seeks to encourage best practices, promote transparency, and foster innovation, ultimately driving the carbon credit market forward and supporting global efforts to address climate change.

1. Effective Date and Scope

1.1 Effective Date

1.1.1 The Open Impact Standard (Version 0.1) is effective for all projects seeking Natureblocks tokens (representative of carbon offsets & credits) as of May 1st, 2023.

1.2 Scope

1.2.1 The Principles & Requirements set out in this document apply to all Project Developers and the Projects for which Natureblocks Tokens — which represent carbon offsets & credits, are sought. It also represents the Requirements against which Open Impact Standard Validation and Verification Bodies (hereafter VVBs) shall Validate or Verify the Project.

1.2.2 The Requirements shall be applied as per the relevant sections contained within this document and those associated or referenced.

1.2.3 From time to time, Natureblocks may issue updates, changes, clarifications, or corrections to the Requirements. These shall be published on the Natureblocks Website. Natureblocks provides notice of all such changes and specific dates for implementation and applicability. It is the responsibility of the Project Developer to remain up to date and apply all such updates as required for their Project by checking the rule updates section on the Natureblocks Website, regardless of whether a notification of change has been received.

1.2.4 Stakeholders — defined by holders of one or more Open Impact Standard Governance Tokens, may submit suggested updates, edits, changes, or additions to the Open Impact Standard through the Natureblocks platform. Such requests shall be considered as per the Standards Setting Procedure. Natureblocks reserves the right to accept or reject such submissions at its own discretion.

1.2.5 While Natureblocks will act as the initial contributors and custodians of the Open Impact Standard, it is the intention that the Open Impact Standard will be managed and maintained by the community of stakeholders. Natureblocks will provide the necessary tools and infrastructure to enable this transition to full community management.

2. Governance

The governance system of the Open Impact Standard is directly tied to ownership of Open Impact Standard Governance Tokens (OISGTs). Governance through OISGTs relies on a blockchain-based voting mechanism, where the number of votes a participant has is proportional to the number of OISGTs they own. For instance, if an individual possesses 10 OISGTs, they are entitled to 10 votes.
The three primary matters subject to voting are the approval of Validation and Verification Bodies (VVBs), approval of methodologies through project schemas, and approval of projects.

2.1 Approval of VVBs

The competent Validation and Verification Bodies need to be approved through the decentralized voting system. Open Impact Standard Governance Token holders utilize their voting powers to decide on the acceptance or rejection of VVBs, ensuring a transparent and decentralized decision-making process.

2.2 Approval of Methodologies - Project Schemas

Methodologies are represented by project schemas that serve as actionable guidelines for generating legitimate carbon offsets. Governance Token holders vote on the approval of these schemas, enabling a broad range of stakeholders to contribute to the development of reliable and effective carbon offset methodologies.

2.3 Approval of Projects

Projects seeking Natureblocks tokens — following complete execution of a Project Instance, also undergo a decentralized approval process. Governance Token holders vote on the acceptance or rejection of proposed carbon offset projects, ensuring that only credible, transparent, and beneficial projects are approved by the Open Impact Standard.

3. Project Methodologies, Tools, and Project Schemas

Open Impact Standard employs project schemas as a way to define and apply methodologies and tools for specific carbon offset projects. A project schema

is a complete series of actionable steps that anyone can take to produce a legitimate carbon offset, corresponding to a particular methodology and toolset.

4. Project Instances

Project instances are created when a project schema is invoked for a specific carbon offset project. Each project instance requires the project developer to follow the actionable steps outlined by the corresponding project schema. This process facilitates the accurate, in-depth assessment of the environmental impact and credibility of the project, as well as providing a transparent basis for Validators and Verifiers to review.

For example, in the case of the "Reforestation of Douglas Fir Trees on Vancouver Island" project, the project developers would invoke the Afforestation/Reforestation project schema and complete the required steps. Validators and Verifiers will then evaluate the project against the evidence and data provided in each step of the project instance.

Through the use of project schemas and project instances, the Open Impact Standard establishes a transparent, consistent, and reliable approach towards the assessment and development of carbon offset projects. Adherence to the standardized methodologies and tools laid out within the relevant schemas ensures that each project contributes to genuine, measurable, and long-lasting efforts to mitigate climate change.

5. General Eligibility Criteria

5.1 Conformance with Applicable Laws

Projects must adhere to all relevant local, national, and international legal and regulatory requirements within the country the project is located.

5.2 Location

Projects may be located anywhere in the world; however, if a project is located outside of the jurisdiction of any of the United Nation member states, the project developer must clarify their right to operate in the project area.

5.3 Project Area

The total area for a given project must be clearly defined. The right to operate within the area must also be specified.

5.4 Exclusivity to the Open Impact Standard

Projects submitted to the Open Impact Standard must not be included in any other standard, unless explicitly allowed by an Open Impact Standard variance. This is to prevent double counting of carbon offsets and credits.

5.5 Project Ownership and Stakeholder Participation

Projects must have clearly defined and unambiguous ownership structures and must include active stakeholder engagement throughout the project's lifecycle.

5.6 Inclusion of Project Validation and Verification Bodies (VVBs)

All project activities must undergo validation and verification by VVBs approved by the Open Impact Standard Governance Token holders, maintaining the integrity and accountability of the project.

5.7 Transparent Information and Methodologies

Projects must follow an approved Open Impact Standard methodology schema. Schemas are approved by the Open Impact Standard Governance Token holders in order to provide transparent information on methodologies, calculations, and monitoring plans while ensuring that all required documentation is publicly accessible.

6. Closing Comments

The Open Impact Standard (OIS) aims to establish a transparent and collaborative framework for carbon credit projects. By adhering to the core principles and requirements, projects can ensure their environmental contributions are credible and provide a measurable impact in mitigating climate change. With the involvement of various stakeholders through the OIS Governance Token, we envision a more efficient and scalable carbon credit market that will help create a sustainable future for all.