

PUBLIC GUIDE / FOR ASSEMBLY DISCUSSION

Questions for an informed decision

A basic guide for territorial organizations assessing a forest-carbon proposal

BEFORE YOU BEGIN

This guide can help an organization prepare for a conversation and an assembly. It does not replace independent legal, technical or financial advice chosen by the organization.

01

What is a carbon credit?

A carbon credit is a unit representing one tonne of greenhouse gases reduced or removed according to a methodology and after verification.

A credit does not exist simply because there is forest. The initiative must show what would have happened without the project, measure results, consider risks and comply with the applicable program rules.

02

What does the organization commit to, and for how long?

That depends on the contract and methodology. Before approving anything, the organization should receive the duration, permitted and restricted activities, monitoring obligations and consequences of non-compliance in writing.

The organization should not accept a term explained only verbally or an obligation whose duration differs between the contract and the technical document.

03

What is not transferred?

Beginning a conversation, receiving information or allowing a preliminary study should not transfer land, territory, autonomy or use rights.

The final contract should state which rights the organization retains, what authorization it grants and which decisions still require assembly approval.

04

How and when is money received?

The organization should know the price paid by the final buyer, every deducted cost, the distribution formula, currency, receiving account and payment schedule.

It should also be clear who bears the costs if the initiative is not registered or does not issue units.

05

How can the agreement end?

The contract should describe the grounds and procedure for termination, notice periods, continuing obligations and dispute-resolution process.

The organization should review those rules with independent advisers before approving the agreement.

06

What happens if there is a fire or forest is lost?

The proposal should explain how a carbon loss is detected, who is responsible, whether a buffer exists and how future payments could be affected.

The organization should understand the prevention and response plan, not only the monitoring technology.

CHECKLIST

Questions to ask any company that approaches the territory

01	What is the legal entity, who owns it and who will sign the contract?	☐
02	What exact right is the company requesting, and which rights does the organization retain?	☐
03	Who chose and who pays the organization's independent legal adviser?	☐
04	Which methodology and registry are proposed, and what is the initiative's actual stage?	☐
05	What data support the baseline, and who will review uncertainty?	☐
06	What is the final price, which costs are deducted and how can the organization audit them?	☐
07	What happens if no credits are issued, the law changes, there is a fire or the buyer does not pay?	☐
08	May the company publish the territory's name, photographs or maps? Where is that authorization recorded?	☐
09	How can the agreement be changed or terminated, and how are disputes resolved?	☐
10	Will the credit be voluntary, or will it have Article 6 authorization? Will a corresponding adjustment apply?	☐

A serious company should be able to answer these questions in writing and give the organization time to review them. Asking questions does not create an obligation to contract.

When an organization needs materials in another language, the translation and the person responsible for validating it should be agreed before an assembly is called.

Contact: territorios@vyv.bo