

## World Bank Group (WBG) Guidelines/Criteria for Selection of Carbon Offsets

The World Bank Group purchases and retires carbon offsets to achieve carbon neutrality for its Scope 1, Scope 2 and a portion of its Scope 3 greenhouse gas emissions. For more information about WBG’s<sup>1</sup> boundaries and methodologies, see the Inventory Management plan (IMP) FY24 [here](#). These Guidelines are intended to align WBG’s offset purchases with its [Corporate Sustainability Principles](#) and support projects that are helping to address climate change while also improving other environmental and social outcomes.

WBG aims to maintain geographic and technological diversity in its project portfolio and set the highest standards for procurement, with stringent due diligence that satisfies the above-mentioned objective, resulting in a portfolio of high integrity and high-quality projects.

### GENERAL GUIDELINES:

- Guidelines will be reviewed at least every two years to ensure alignment with WBG business priorities and carbon-offset market trends.
- Joint purchases of IFC and WB<sup>1</sup> are desirable, but WB’s and IFC’s purchase decisions will not be constrained by each other’s program decisions.
- All projects need to meet the criteria in the table below:

Category		Description
Project Locations		Credits must come from <a href="#">IDA Borrowing Countries</a> .
Project Types	Removals	<p>Understanding the need to move toward a Net-Zero climate, WBG prefers high-quality removal projects over reduction projects and aspires to balance its portfolio between the two.</p> <p>Acceptable removal projects include:</p> <ul style="list-style-type: none"> <li>• Afforestation</li> <li>• Reforestation</li> <li>• Soil carbon sequestration</li> <li>• Blue carbon (e.g., mangroves) activities</li> </ul>
	Reductions	<p>Acceptable reductions projects include:</p> <ul style="list-style-type: none"> <li>• Projects that support clean energy access, such as solar home systems, solar lanterns, mini grids, biodigesters, clean cooking</li> <li>• Projects with best available technology and/or with highest performance standard in the sector or falls under the ‘positive list’ defined by the standards and/or country where the project is located</li> <li>• Clean water projects</li> <li>• Solar energy projects with battery storage</li> <li>• Off-shore wind projects</li> </ul>

<sup>1</sup> MIGA’s and ICSID’s GHG emissions are included in the World Bank’s emissions

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<b>Credible Methodology</b>	<ul style="list-style-type: none"> <li>The International Civil Aviation Organization (ICAO) has published a widely recognized and referenced document that specifies requirements for eligible offsets called <a href="#">CORSIA</a> (Carbon Offsetting and Reduction Scheme for International Aviation). WBG adopts these criteria by reference.</li> <li>All projects are also subject to due diligence by the World Bank and IFC.</li> </ul>
<b>Sustainable Development Goals (SDG) alignment, Impact Integrity and Co-benefits</b>	Projects must demonstrate measurable, verified and sustainable co-benefits beyond emissions reductions or removals. Established benefit sharing plan to ensure local community alignment with carbon project activities, including transparent quantification and demonstration of carbon credit sale proceeds distribution should be specifically explained.
<b>Sourcing</b>	<ul style="list-style-type: none"> <li>Direct purchase from project developers</li> <li>Intermediary or brokerage firms</li> <li>Verified emission reduction offset exchanges or platforms</li> </ul>
<b>Offset Retirement Requirements</b>	<ul style="list-style-type: none"> <li>Offsets must be retired in the original issuing registry for the applicable reporting year.</li> <li>Retirement must be publicly recorded</li> </ul>
<b>Time-based Requirements</b>	<ul style="list-style-type: none"> <li>Vintage: Consistent with the Article 6.4 guidance finalized during COP26 in Glasgow. (<i>The project activity or programme of activities was registered on or after January 1, 2013</i>)</li> <li>Credits should be generated and issued on or after January 1, 2021.</li> </ul>

\*Refers to projects that reduce biomass burning for boiling water by providing other water purification technologies

- Preference will be given to those projects that meet the following criteria in the table below:

Category	Description
<b>Project Locations</b>	<ul style="list-style-type: none"> <li>Preference for credits from <a href="#">Least Developed Countries</a>.</li> </ul>
<b>Independent rating</b>	<ul style="list-style-type: none"> <li>Projects that obtained independent ratings from recognized carbon credit rating agencies, where possible</li> </ul>
<b>Methodology</b>	<ul style="list-style-type: none"> <li>Projects that adhere to the Core Carbon Principles (CCPs) set by the Integrity Council for the Voluntary Carbon Market (ICVCM)</li> </ul>
<b>Sustainable Development Goals (SDG) alignment,</b>	<ul style="list-style-type: none"> <li>Projects that: <ul style="list-style-type: none"> <li>Contribute materially to relevant SDGs, including use of recognized SDG impact certification standards (e.g., Gold Standard for the Global</li> </ul> </li> </ul>

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<b>Impact Integrity and Co-benefits</b>	Goals, Verra SD VISTa), clear SDG targets and indicators, and evidence of impact monitoring and third-party verification <ul style="list-style-type: none"><li>• Enhance ecosystem and biodiversity benefits</li></ul>
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