

## World Bank Group (WBG) Guidelines/Criteria for Selection of Emission Reduction 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. These Guidelines are intended to align WBG's offset purchases with its [institutional objectives](#) and support projects that are helping to address climate change while also improving other environmental and social outcomes.

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

### GENERAL GUIDELINES:

- Guidelines will be reviewed at least every two years to ensure alignment with WBG business priorities and emission-reduction-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.

Category		Description
<b>Project Locations</b>		Credits must come from <a href="#">IDA Borrowing Countries</a> . Preference for credits from <a href="#">Least Developed Countries</a> .
<b>Project Types</b>	<b>Removals</b>	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. Acceptable removal projects include: <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>
	<b>Reductions</b>	Acceptable reductions projects include: <ul style="list-style-type: none"> <li>• Improving clean energy access projects, 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

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<b>Offset Standards</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). WB adopts these criteria by reference.</li> <li>• All projects are also subject to due diligence by the World Bank and IFC Carbon Finance Units</li> </ul>
<b>Sustainable Development Goals (SDG) alignment, Impact and Co-benefits</b>	<p>Projects that clearly demonstrate additional positive benefits beyond emissions reductions/removals and support achieving the relevant UN sustainable development goals are preferred, including:</p> <ul style="list-style-type: none"> <li>• Community, social and economic benefits</li> <li>• Biodiversity benefits.</li> <li>• Projects that add renewable energy to the grid</li> <li>• Other benefits that advance the Sustainable Development Goals (SDGs)</li> </ul>
<b>Sourcing</b>	<ul style="list-style-type: none"> <li>• Direct purchase from project developers</li> <li>• Intermediary or brokerage firms</li> <li>• Emission reduction offset exchanges</li> </ul>
<b>Offset Retirement Requirements</b>	<p>Offsets will be retired in the registry of issuance.</p>
<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 1 January 2013</i>)</li> <li>• Credits are to be used to offset emissions not later than five years from the calendar year in which they were generated. (example: if generated in 2017, credits can be used to offset emissions no later than 2022).</li> </ul>